JALARAM FEEDS

Authority for Advance Ruling — Maharashtra

GST-ARA-110/2018-19/B-98 (the final digits appear as '98' in the scan; th… Dated **10.04.2019**

Q Questions Before the Authority

- Whether the firm is liable to take registration under section 24 of the CGST Act, 2017, or is exempted from registration under section 23.

F Facts

The applicant is a registered partnership firm at Hingna Road, Nagpur, manufacturing only compound animal feed (HSN 2309), which is exempt under entry 102 of Notification 2/2017-CT(Rate). It makes no other supply of goods or services that is taxable, and it uses goods transport agency (GTA) services for transport. It argued that section 23 exempts a person engaged exclusively in exempt supplies, and that section 24 overrides only section 22(1), not section 23.

H Ruling

Whether the firm must register under s.24, or is exempt under s.23	**Liable to register under s.24 (persons paying tax under reverse charge, s.24(iii))**	The ruling rests on GTA services received by the applicant, which are reverse-charge supplies under Notification 13/2017-CT(Rate). It does not treat the exempt animal feed supply as taxable.

The Authority held that the applicant is **liable to take registration under section 24** of the GST Act. Section 23 and section 24 operate independently, and the turnover threshold in section 22(1) does not apply to a person who must pay tax under reverse charge.

R Reasoning

The Authority read section 22(1) as requiring a taxable supply and a turnover above the threshold, so a person dealing only in exempt goods falls outside section 22 and is also covered by section 23(1)(a). It held, however, that section 24 applies 'notwithstanding' section 22(1) and that section 23 is not contrary to section 22 and so is not overridden. Relying on section 9(3) and 9(4) and Notification 13/2017-CT(Rate), it found that a GTA service recipient pays tax under reverse charge and is deemed the person liable. It then applied the rule of harmonious construction, holding that reading section 23 to exempt such a recipient would make section 24(iii) redundant.

P Provisions Relied On

CGST Act s.9(3) and s.9(4)	CGST Act s.22(1)
CGST Act s.23(1)(a) and s.23(1)(b)	CGST Act s.24 (preamble and clause (iii))

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

CGST Act s.2(6), s.2(47), s.2(98) and s.2(108) (definitions cited)

Notification 13/2017-Central Tax (Rate) dated 28.06.2017 (GTA services, serial 1)

Notification 2/2017-Central Tax (Rate) dated 28.06.2017, entry 102 (exemption of animal feed; cited in facts)

Case law on harmonious construction and avoiding redundancy (Caltex Oil Refining; Janak K. Kansara; T.V. Abdul Nazar; Ei…

! For the Practitioner

This order is useful for an exempt-only manufacturer that receives reverse-charge services such as GTA transport, because it holds that such a firm must register despite nil taxable turnover. A practitioner can cite it to argue against a claim that section 23 exempts all exempt-only suppliers. The order does not decide whether a purely exempt supplier with no reverse-charge receipts must register, and it does not address the rate or HSN classification of the feed.

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 -> maharashtra_aar_110_2018-19_jalaram_feeds_10.04.19.pdf

Prepared 02-11-2026.

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