

Joint Plant Committee

Authority for Advance Ruling — West Bengal

01/ WBAAR/ 2017-18

Dated **21.03.2018**

Q Questions Before the Authority

- Whether the applicant is required to be registered under the CGST / WBGST Act, 2017.

F Facts

The applicant is a non-profit organization set up by the Central Government that manages the Steel Development Fund and maintains a database on the steel sector. Its primary income is interest from deposits and loans, with secondary income from the sale of journals and guest house rentals. The applicant sought a ruling on its liability for GST registration given that its aggregate turnover exceeds the threshold.

H Ruling

Liability for registration under the GST Act

Not required to be registered

Subject to the condition that the applicant is not otherwise liable to pay tax under reverse charge under section 9(3) of the GST Act

The authority ruled that the applicant is not required to be registered under the GST Act, provided it is not otherwise liable to pay tax under the reverse charge mechanism. The ruling is based on the finding that the applicant is engaged exclusively in supplying goods and services that are wholly exempt from tax.

R Reasoning

The authority determined that the applicant's activities, including the supply of journals, guest house accommodation, and interest-based services, are all covered by specific exemption notifications. Since the applicant is engaged exclusively in supplying exempt goods and services, it is not liable for registration under section 23(1) of the GST Act. However, the authority clarified that this exemption from registration does not extend to liabilities arising under the reverse charge mechanism pursuant to section 24 of the GST Act.

P Provisions Relied On

Section 22(1) of the GST Act

Section 23(1) of the GST Act

Section 24 of the GST Act

Section 9(3) of the GST Act

Section 9(4) of the GST Act

Section 5(3) of the IGST Act

Section 5(4) of the IGST Act

Notification No. 2/2017 – Central Tax (Rate)

Notification No. 12/2017 – Central Tax (Rate)



For the Practitioner

This ruling confirms that entities engaged **exclusively in exempt supplies** are not required to register under the GST Act, regardless of their aggregate turnover. Practitioners should note that this exemption is **conditional** and does not override mandatory registration requirements triggered by reverse charge liabilities. It serves as a useful precedent for non-profit organizations with similar income streams.

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 -> [wb 2017-18 01 dated 21032018.pdf](#)

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