

# M/s. Vikas Centre For Development

Authority for Advance Ruling — Gujarat

GUJ/GAAR/R/2022/50, dated 30/12/2022

## Q Questions Before the Authority

- Whether the activity of Afforestation, which includes the plantation of mangroves is exempted from GST under Sr. No.1 of Notification No.12/2017-CT (Rate)?
- Whether the applicant is required to be get registered under GST?

## F Facts

The applicant is a charitable trust registered under Section 12AA of the Income Tax Act, 1961. It entered into a service agreement with a foreign entity, Goodcarbon Impact GmbH, to implement a pilot project for the afforestation of mangroves in the Jambusar taluka of Gujarat. The project is funded by the foreign entity based on the achievement of specific milestones.

## H Ruling

|                                            |                                                                                |                                                                                                                                                                          |
|--------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exemption of afforestation activity</b> | <b>Exempted under Sr. No. 1 of Notification No. 12/2017-Central Tax (Rate)</b> | Subject to the applicant remaining registered under Section 12AA of the Income Tax Act, 1961, and as a Public Charitable Trust under the Bombay Public Trusts Act, 1950. |
| <b>Requirement for GST registration</b>    | <b>Not required to be registered</b>                                           | Conditional upon fulfilling the registration requirements as a charitable organization mentioned in the ruling.                                                          |

The Authority held that the applicant's afforestation activities qualify as charitable activities under the category of preservation of environment. Consequently, the services are exempt from GST, and the applicant is not required to obtain GST registration provided it maintains its charitable status.

## R Reasoning

The Authority determined that the applicant's activities, specifically the plantation of mangroves, fall under the definition of charitable activities relating to the **preservation of environment** as per clause 2(r) of Notification No. 12/2017-CT (Rate). Because the applicant is a registered charitable trust and the activity is not considered a business activity under Section 2(17) of the CGST Act, 2017, it does not constitute a taxable supply. Therefore, the applicant is not liable for registration under Section 22(1) of the CGST Act, 2017.

## P Provisions Relied On

Section 12AA of the Income Tax Act, 1961

Section 2(17) of the CGST Act, 2017

Section 22(1) of the CGST Act, 2017

Notification No. 12/2017-Central Tax (Rate) dated 28-06-2017

## ! For the Practitioner

This ruling provides a **favorable precedent** for charitable trusts engaged in environmental preservation projects funded by foreign entities. It confirms that such activities, when performed by a registered charitable trust, are exempt from GST and do not trigger mandatory registration requirements. Practitioners should note that the exemption is strictly tied to the applicant's status as a registered charitable entity.

### 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](http://www.gstcouncil.gov.in) -> [gujarat aar order no.50-2022 vikas centre for development.pdf](#)

Prepared 20-10-2026.

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