

GIB/GJ/Shree Sawai/19.04.2020/AAR-326

Advance Ruling Category : Levy

State : Gujarat

Order No.: GIB/GJ/Shree Sawai/19.04.2020/AAR-326

Name of Entry :

Shree Sawai Manoharlal Rathi

Date : 19-04-2020

Breif Issue :

Facts & Issue Of The Case :

The applicant has submitted that he is an individual having not engaged in any business. His receipts are only from savings, personal loans and advances and deposits, which are reflected in the Income Tax Returns. the applicant is seeking an advance ruling in respect of the following questions:

1. Whether Interest received in form of PPF would be considered for the purpose of calculating the threshold limit of Rs.20.00 Lakh for registration under GST Law?
2. Whether Interest received on Personal Loans and Advanced to family/friends would be considered for the purpose of calculating the threshold limit of Rs.20.00 Lakh for registration under GST Law?
3. Whether Interest received on Saving Bank Account would be considered for the purpose of calculating the threshold limit of Rs.20.00 Lakh for registration under GST Law?

Supply includes sale, transfer, exchange, barter, license, rental, lease and disposal. If a person undertakes either of these transactions during the course or furtherance of business for consideration, it will be covered under the meaning of Supply under GST. the Applicant is required to consider the value of both the taxable supply i.e. "Renting of immovable property" and exempted supply of service provided by way of extending deposits, loans or advances for which they earned interest income, to arrive at "Aggregate Turnover" to determine the threshold limit for the purpose of obtaining registration under the GST Act.

Decision of Advance Ruling Authority :

Decision :

1. Following AAR can be referred in context of decision made in the Advance Ruling Authority, '**Karnataka**' in the case of '**Anil Kumar Agrawal**'- [GIB/KN/ANIL KUMAR/04.05.2020/AAR-246](#) as Services regarding interest income are covered under the above Notification. Therefore, such services are exempted from payment of GST and the individual is not required to discharge GST on the activity of providing services by way

of extending deposits, loans or advances where the consideration is represented by way of interest. Therefore, in given case GST is not leviable on Interest Income earned by the Applicant.

2. The Applicant is required to aggregate the value of exempted interest income earned by way of extending deposits in PPF & Bank Saving accounts and loans and advances given to his family/friends along with the value of the taxable supply i.e. “Renting of immovable property” for the purpose of calculating the threshold limit of Rs.20.00 Lakh for obtaining registration under GST law.