

REGISTRATION



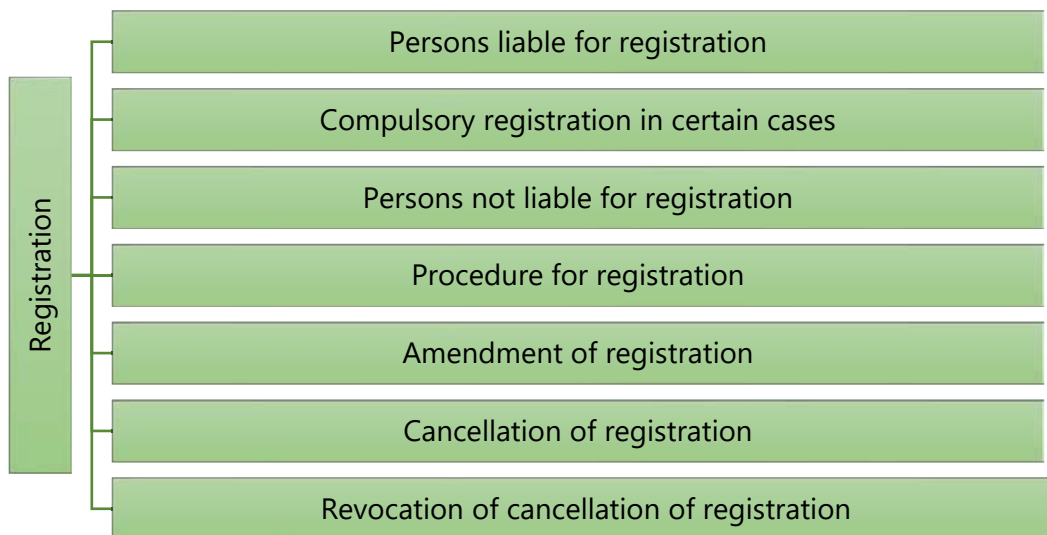
Examples/illustrations/Questions and Answers given in the Chapter are based on the position of GST law existing as on 31.10.2020

LEARNING OUTCOMES

This Chapter will equip you to –

- ☐ understand the concept of the taxable person
- ☐ explain when a person becomes liable to get registered under GST.
- ☐ identify the scenarios where registration is compulsory.
- ☐ identify the persons who are not liable for registration.
- ☐ describe the procedure for obtaining registration under GST.
- ☐ explain the procedure for amendment of registration.
- ☐ describe the cancellation of registration and revocation of cancellation of registration in specified circumstances.

CHAPTER OVERVIEW



1. INTRODUCTION

Under any taxation law, registration is the most fundamental requirement for identification of tax payers ensuring tax compliance in the economy. It is the first step towards becoming GST compliant. Under indirect tax regime, without registration, a person can neither collect tax from his customers nor claim any credit of tax paid by him.



Registration legally recognizes a person as supplier of goods or services or both and legally authorizes him to collect taxes from his customers and pass on the credit of the taxes paid on the goods or services supplied to the purchasers/recipients. He can claim the input tax credit of taxes paid and can utilize the same for payment of taxes due on supply of goods or services. Registration ensures the seamless flow of input tax credit from suppliers to recipients at the national level.

Register Now

Under GST law, a supplier is required to obtain State-wise registration. There is no concept of a centralized registration under GST like the erstwhile service tax regime. A supplier has to obtain registration in every State/UT from where he makes a taxable supply provided his aggregate turnover



exceeds a specified threshold limit. Thus, he is not required to obtain registration from a State/UT from where he makes a non-taxable supply.

Since registration in GST is PAN based, once a supplier is liable to register, he has to obtain registration in each of the States/UTs in which he operates under the same PAN. Further, he is normally required to obtain single registration in a State/UT. However, where he has multiple places of business in a State/UT, he has the option either to get a single registration for said State/UT [wherein it can declare one place as principal place of business (PPoB) and other branches as additional place(s) of business (APoB)] or to get separate registrations for each place of business in such State/UT.

Registration under GST is not tax specific, which means that there is single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and GST compensation cess.


Chapter VI - Registration [Sections 22 to 30] of the CGST Act and Chapter III – Registration [Rules 8 to 26] of the CGST Rules contain the provisions relating to registration. State GST laws also prescribe identical provisions in relation to Registration.

Provisions of registration under CGST Act have also been made applicable to IGST Act vide section 20 of the IGST Act.

Before proceeding to understand the registration provisions, let us first go through few relevant definitions.

2. RELEVANT DEFINITIONS



 **Agent:** means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another [Section 2(5)].

- ❖ **Common portal:** means the common goods and services tax electronic portal referred to in section 146 [Section 2(26)].
- ❖ **Taxable supply:** means a supply of goods or services or both which is leviable to tax under this Act [Section 2(108)].
- ❖ **Taxable territory:** means the territory to which the provisions of this Act apply [Section 2(109)].
- ❖ **Place of business:** includes [Section 2(85)]:
 - a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or
 - a place where a taxable person maintains his books of account; or
 - a place where a taxable person is engaged in business through an agent, by whatever name called.
- ❖ **Appellate Authority:** means an authority appointed or authorised to hear appeals as referred to in section 107¹ [Section 2(8)].
- ❖ **Fixed establishment:** means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs [Section 2(50)].
- ❖ **Principal place of business:** means the place of business specified as the principal place of business in the certificate of registration [Section 2(89)].
- ❖ **Proper officer:** in relation to any function to be performed under this Act, means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board [Section 2(91)].
- ❖ **Registered person:** means a person who is registered under section 25, but does not include a person having a Unique Identity Number [Section 2(94)].
- ❖ **Tax period:** means the period for which the return is required to be furnished [Section 2(106)].
- ❖ **Business:** includes [Section 2(17)]–

¹ Section 107 contains the provisions relating to 'Appeals to Appellate Authority'. The same shall be discussed in detail at final level.

- (a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;
- (b) any activity or transaction in connection with or incidental or ancillary to (a) above;
- (c) any activity or transaction in the nature of (a) above, whether or not there is volume, frequency, continuity or regularity of such transaction;
- (d) supply or acquisition of goods including capital assets and services in connection with commencement or closure of business;
- (e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members, as the case may be;
- (f) admission, for a consideration, of persons to any premises; and
- (g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;
- (h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club
- (i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities.



3. CONCEPT OF TAXABLE PERSON [SECTION 2(107)]



Under GST law, the concept of taxable person is significant since tax on supplies of goods and/or services, is to be paid by a taxable person. So, let us understand the concept of taxable person. As per



Taxable person

section 2(107) of the CGST Act, taxable person means a person who is registered or liable to be registered under section 22 or section 24 [These sections have been discussed in detail subsequently in this Chapter].

Thus, even an unregistered person who is liable to be registered is a taxable person. Similarly, a person not liable to be registered, but has taken voluntary registration and got himself registered is also a taxable person.

In the subsequent paras, we will see when does a person becomes liable to get registered, what is the procedure for getting registered under GST and how to get the registration application amended, when can registration be cancelled and when the cancellation of the registration by the Department be revoked.

Following sections of Chapter VI – Registration of the CGST Act shall be discussed in this chapter to understand the registration provisions:

Section 22	Persons liable for registration.
Section 23	Persons not liable for registration
Section 24	Compulsory registration in certain cases
Section 25	Procedure for registration.
Section 26	Deemed registration
Section 27	Special provisions relating to casual taxable person and non-resident taxable person
Section 28	Amendment of registration
Section 29	Cancellation or suspension of registration
Section 30	Revocation of cancellation of registration



4. PERSONS LIABLE FOR REGISTRATION [SECTION 22]



STATUTORY PROVISIONS

Section 22 <i>(Relevant Extract)</i>	<i>Persons liable for registration</i>
Sub-section	<i>Particulars</i>
(1)	<i>Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from</i>

	<p>where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees.</p> <p><i>Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.</i></p> <p><i>Provided further that the Government may, at the request of a special category State and on the recommendations of the Council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified.</i></p> <p><i>Provided also that the Government may, at the request of a State and on the recommendations of the Council, enhance the aggregate turnover from twenty lakh rupees to such amount not exceeding forty lakh rupees in case of supplier who is engaged exclusively in the supply of goods, subject to such conditions and limitations, as may be notified.</i></p> <p><i>Explanation—For the purposes of this sub-section, a person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.</i></p>
(2)	<p>Every person who, on the day immediately preceding the appointed day, is registered or holds a license under an existing law, shall be liable to be registered under this Act with effect from the appointed day.</p>
(3)	<p>Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee or the successor, as the case may be, shall be liable to be registered</p>

	<i>with effect from the date of such transfer or succession.</i>
(4)	<i>Notwithstanding anything contained in sub-sections (1) and (3), in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal.</i>
	<i>Explanation—For the purposes of this section, —</i>
(i)	<i>the expression “aggregate turnover” shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals</i>
(iii)	<i>the expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution except the State of Jammu and Kashmir and States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand.</i>



ANALYSIS

(i) Threshold limit for registration

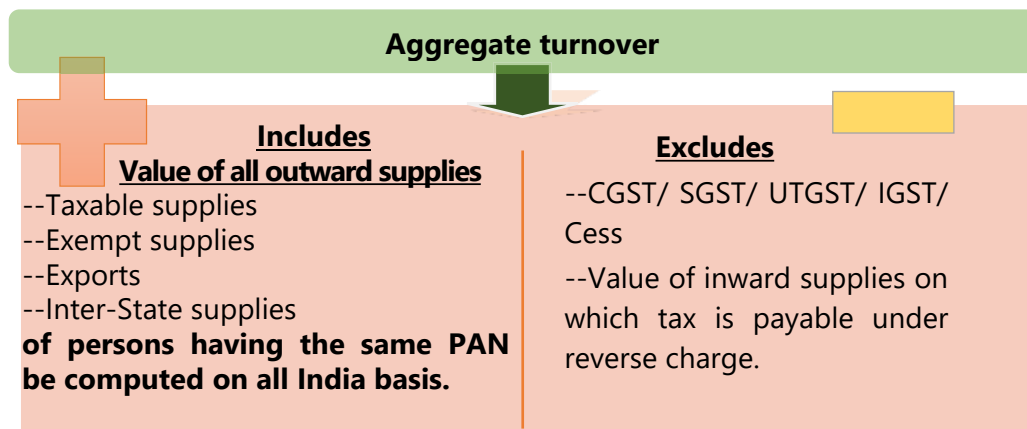
- Every supplier of goods or services or both is required to obtain registration
- in the State or the Union territory from where he makes the taxable supply
- if his **aggregate turnover** exceeds specified threshold limit in a FY.

Aggregate Turnover

Before, we study what is the applicable threshold limit for various States/ UTs, let us first understand the concept of **aggregate turnover**.

Aggregate turnover is a crucial parameter for deciding the eligibility of a supplier to avail the benefit of threshold exemption from registration, eligibility for composition scheme [Discussed in Chapter 3 – Charge of GST].

'Turnover' in common parlance is the total volume of business. The term 'aggregate turnover' as defined under section 2(6) of the CGST Act has been presented in the diagrammatic form as follows:



Section 2(6) [definition of 'aggregate turnover' as given above] read with explanation (i) to section 22 has been analysed as follows:

- (A) Aggregate turnover to exclude inward supplies on which tax is payable under reverse charge:** It may be noted that the inward supplies on which recipient is required to pay tax under Reverse Charge Mechanism (RCM) do not form part of the 'aggregate turnover'. The law stipulates certain supplies like, Goods Transport Agency services, legal services, sponsorship services, to name a few, where the recipient of service is made to pay the tax – *Discussed in detail in Chapter 3 – Charge of tax*. The value of such supplies would not form part of the 'aggregate turnover' of recipient of such supplies.



Outward Supplies taxable under reverse charge would continue to be part of the 'aggregate turnover' of the supplier of such supplies



(1) Raghubir Private Ltd. pays GST on sitting fees paid to its directors for the services rendered by them, under reverse charge. Value of services provided by the directors to Raghubir Private Ltd. will form part of the aggregate turnover of the directors and not of Raghubir Private Ltd.

- (B) Aggregate turnover excludes the element of CGST, SGST, UTGST, and IGST and compensation cess.**
- (C) Aggregate turnover to include total turnover of all branches under same PAN**

Aggregate turnover is calculated by taking together the value in respect of the activities carried out on all-India basis.



(2) A dealer 'X' has two offices – one in Delhi and another in Haryana. In order to determine whether 'X' is liable for registration, turnover of both the offices would be taken into account and only if the same exceeds the applicable threshold limit, X is liable for registration.

- (D) Value of exported goods/services, exempted goods/services, inter-State supplies between distinct persons having same PAN, to be included in aggregate turnover.**



(3) Madhur Oils, Punjab, is engaged in supplying machine oil as well as petrol. Supply of petrol is not leviable to GST, but supply of machine oil is taxable. In order to determine whether Madhur Oils is liable for registration, turnover of both non-taxable as well as taxable supplies would be taken into account and if the same exceeds the applicable threshold limit, Madhur Oils is liable for registration.

- (E) **Aggregate turnover to include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals.**



(4) Mohini Enterprises has appointed M/s Bestfords & Associates as its agent. M/s Bestfords & Associates makes supply of goods on its own account as well as on behalf of Mohini Enterprises.

All the supplies of goods made by M/s Bestfords & Associates as agent of Mohini Enterprises as well as on its own account will be included in the aggregate turnover of M/s Bestfords & Associates.

- (F) **‘Aggregate turnover’ Vs. ‘Turnover in a State’:** The aggregate turnover is different from turnover in a State. The former is used for determining the threshold limit for registration and eligibility for composition scheme *[Discussed in Chapter 3 – Charge of GST]*. However, once a person is eligible for composition levy, the amount payable under composition levy would be calculated as a specified % of ‘turnover in the State/UT’.

Applicable threshold limit

The threshold limit prescribed under section 22(1) is ₹ 20 lakh in a FY, i.e. every supplier, whose aggregate turnover in a financial year exceeds ₹ 20 lakh, is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods and/or services.

However, the limit of ₹ 20 lakh will be reduced to ₹ 10 lakh if the person is carrying out business in **Special Category States**. As per Article 279A(4)(g) of the Constitution, there are 11 Special Category States, namely, States of Arunachal Pradesh, Assam, Jammu and Kashmir², Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand. *However, as per the explanation (iii) to section 22, for the purposes of registration, only Mizoram, Tripura, Manipur and Nagaland are Special Category States. Therefore, the threshold limit ₹ 10 lakh is applicable for Mizoram, Tripura, Manipur and Nagaland.*

² The erstwhile State of Jammu and Kashmir has been reorganised into the Union territory of Jammu and Kashmir (with Legislature) and Union territory of Ladakh vide the Jammu and Kashmir Reorganisation Act, 2019.



If a person with places of business in different States across India has one branch in a Special Category State from which it makes a taxable supply, the threshold limit for GST registration will be reduced to ₹ 10 lakh.

Government is empowered to enhance the threshold limit of ₹ 20 lakh upto ₹ 40 lakh for a supplier engaged exclusively in the supply of goods, at the request of a State and on the recommendations of the Council. This shall be subject to such conditions and limitations, as may be notified.

For the purposes of section 22(1), a person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

Further, Notification No. 10/2019 CT dated 07.03.2019 exempts any person who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed ₹ 40 lakh, from registration requirement.

Exceptions to this exemption are as follows:

- (a) Persons required to take compulsory registration under section 24 of the CGST Act.
- (b) Persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa [2105 00 00], Pan masala [2106 90 20] and all goods of Chapter 24, i.e. Tobacco and manufactured tobacco substitutes.
- (c) Persons engaged in making **intra-State supplies** in the States of Arunachal Pradesh, Uttarakhand, Meghalaya, Sikkim, Telangana, Puducherry and Special Category States as per section 22 [Nagaland,

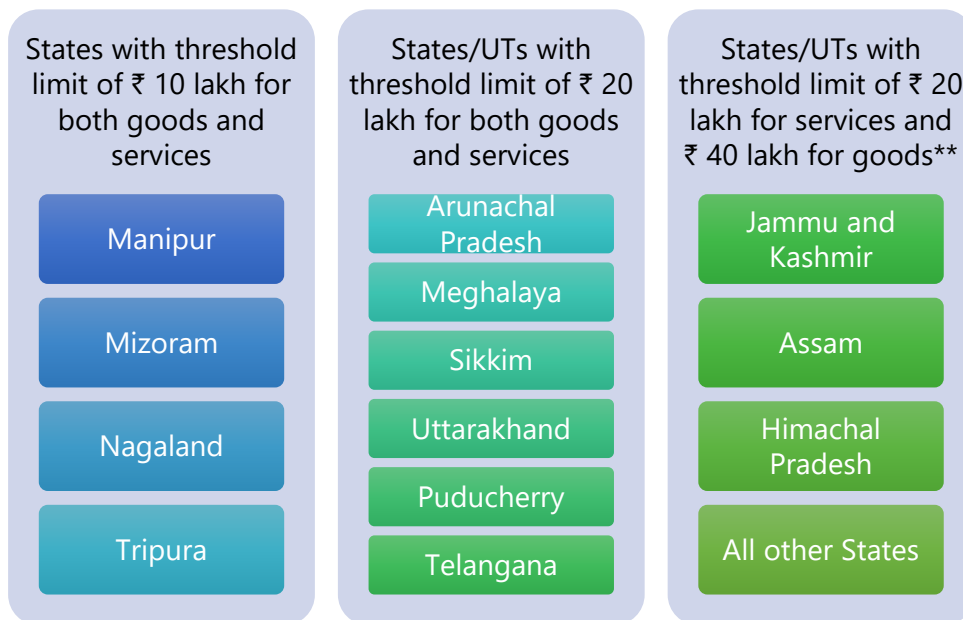
Mizoram, Manipur, Tripura]. **Inter-State supplies of goods** are nevertheless liable to compulsory registration and are already covered in exception (a) above.

- (d) Person who has opted for **voluntary registration** or such registered persons who intend to continue with their registration under the CGST Act.

In view the above discussion, the registration requirements under GST can be summarised as follows:

			Threshold limit for persons engaged	
			exclusively in supply of goods	exclusively in supply of services/ both goods & services
States/UTs other than Special Category States		Puducherry	₹ 20 lakh	₹ 20 Lakh
		Telangana	₹ 20 lakh	₹ 20 Lakh
		Others	₹ 40 lakh	₹ 20 Lakh
Special Category States/ UTs as per Constitution	Special Category States as per section 22	Manipur	₹ 10 lakh	₹ 10 Lakh
		Mizoram	₹ 10 lakh	₹ 10 Lakh
		Nagaland	₹ 10 lakh	₹ 10 Lakh
		Tripura	₹ 10 lakh	₹ 10 Lakh
	Other States/UTs	Jammu and Kashmir	₹ 40 lakh	₹ 20 Lakh
		Assam	₹ 40 lakh	₹ 20 Lakh
		Himachal Pradesh	₹ 40 lakh	₹ 20 Lakh
		Arunachal Pradesh	₹ 20 Lakh	₹ 20 Lakh

		Meghalaya	₹ 20 Lakh	₹ 20 Lakh
		Sikkim	₹ 20 Lakh	₹ 20 Lakh
		Uttarakhand	₹ 20 Lakh	₹ 20 Lakh



**persons engaged exclusively in intra-State supply of goods



(5) Prithviraj of Assam is exclusively engaged in intra-State supply of shoes. His aggregate turnover in the current financial year is ₹ 22 lakh. In view of the discussion in the above paras, the applicable threshold limit for registration for Prithviraj in the given case is ₹ 40 lakh. Thus, he is not liable to get registered under GST.

If in above example, all other things remaining the same, Prithviraj is exclusively engaged in supply of pan masala instead of shoes, he will not be eligible for higher threshold limit of ₹ 40 lakh and the applicable threshold limit for registration in that given case will be ₹ 20 lakh. Thus, Prithviraj will be liable to get registered under GST.

If instead of pan masala, Prithviraj is exclusively engaged in supply of taxable services, the applicable threshold limit for registration will still be ₹ 20 lakh. Thus, Prithviraj will be liable to get registered under GST.

Further, if Prithiviraj is engaged in supply of both taxable goods and services, the applicable threshold limit for registration will be ₹ 20 lakh only. Thus, Prithiviraj will be liable to get registered under GST.



(6) Shivaji of Telangana is exclusively engaged in intra-State supply of toys. Its aggregate turnover in the current financial year is ₹ 22 lakh. Since Shivaji is making taxable supplies from Telangana, he will not be eligible for higher threshold limit available in case of exclusive supply of goods. The applicable threshold limit for registration for Shivaji in the given case is ₹ 20 lakh. Thus, he is liable to get registered under GST.

If in above example, all other things remaining the same, Shivaji is exclusively engaged in supply of taxable services instead of toys, the applicable threshold limit for registration will still be ₹ 20 lakh. Thus, Shivaji will be liable to get registered under GST.

Further, if Shivaji is engaged in supply of both taxable goods and services, the applicable threshold limit for registration will be ₹ 20 lakh only. Thus, Shivaji will be liable to get registered under GST.



(7) Ashoka of Manipur is exclusively engaged in intra-State supply of paper. Its aggregate turnover in the current financial year is ₹ 12 lakh. Since Ashoka is making taxable supplies from Manipur which is a Special Category State, the applicable threshold limit for registration for Ashoka in the given case is ₹ 10 lakh. Thus, he is liable to get registered under GST.

If in above example, all other things remaining the same, Ashoka is exclusively engaged in supply of taxable services instead of paper, the applicable threshold limit for registration will still be ₹ 10 lakh. Thus, Ashoka will be liable to get registered under GST.

Further, if Ashoka is engaged in supply of both taxable goods and services, the applicable threshold limit for registration in that given case will be ₹ 10 lakh only. Thus, Ashoka will be liable to get registered under GST.



(8) Raghav of Assam is exclusively engaged in intra-State supply of readymade garments. Its turnover in the current FY from Assam showroom is ₹ 28 lakh. It has another showroom in Tripura with a turnover of ₹ 11 lakh in the current FY. Since Raghav is engaged in supplying garments from a Special Category State as per section 22, the applicable

threshold limit for him gets reduced to ₹ 10 lakh. Further, Raghav is liable to get registered under GST in both Assam and Tripura on his aggregate turnover crossing the threshold limit of ₹ 10 lakh.

(ii) Registration required only for a place of business from where taxable supply takes place

A person is required to obtain registration with respect to his each place of business in India from where a taxable supply has taken place. However, a supplier is not liable to obtain registration in a State/UT from where he makes an exempt/non-taxable supply.

Further, the threshold limit of a person having places of business in more than one State/UT in India gets reduced to ₹ 10 lakh only when such person makes **taxable supplies** of goods or services or both from any of the Special Category States as per section 22. However, in case he makes exempt/non-taxable supply from a Special Category State and taxable supplies from a State other than Special Category State, the threshold limit shall not be so reduced.



(9) Uday Enterprises is engaged in supply of taxable goods in Maharashtra. It also supplies alcoholic liquor for human consumption from Nagaland. Its turnover in the current financial year is ₹ 34 lakh in Maharashtra and ₹ 8 lakh in Nagaland.

Since Uday Enterprises is exclusively engaged in making taxable supplies of goods from Maharashtra, the applicable threshold limit for obtaining registration is ₹ 40 lakh. However, the threshold limit will not be reduced to ₹ 10 lakh in this case, as supply of alcoholic liquor for human consumption from Nagaland (one of the Special Category States) are non-taxable supplies³.

In the given case, since the aggregate turnover of Uday Enterprises exceeds the applicable threshold limit of ₹ 40 lakh, it is liable to obtain registration. It will obtain registration in Maharashtra, but is not required to obtain registration in Nagaland as he is not making any taxable supplies from said State.

(iii) Person liable for registration in case of transfer of business

Where a business is transferred, whether on account of succession/any other reason [including transfer/change in the ownership of business due to death of the sole



³ in terms of section 9(1)

proprietor⁴], to another person as a going concern, the transferee/successor, is to be registered with effect from the date of such transfer/succession. Where the business is transferred, pursuant to sanction of a scheme/ arrangement for amalgamation/ de-merger of two or more companies, pursuant to an order of a High Court/Tribunal, the transferee is to be registered with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order.



5. COMPULSORY REGISTRATION IN CERTAIN CASES [SECTION 24]

As we have seen above that a supplier is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods and/or services only if his aggregate turnover in a financial year exceeds the applicable threshold limit. However, there are certain cases wherein a supplier is mandatorily required to obtain registration irrespective of the quantum of his aggregate turnover. In other words, these are the cases wherein a supplier is compulsorily required to obtain registration even though his aggregate turnover does not exceed the applicable threshold limit.

However, certain exemptions from registration have also been provided under section 23. These exceptions have been incorporated briefly at the relevant places in the discussion under this heading in order to provide a holistic picture. The exceptions have also been explained in detail in the next heading 6. *Persons not liable for registration.*

The category of persons requiring compulsory registration under GST have been enlisted below:

- (1) **Persons making any inter-State taxable supply.** However, threshold limit of ₹ 20 lakh (₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of inter-State supply of **taxable services** and of notified handicraft goods.
- (2) **Casual taxable persons (CTP) making taxable supply.** However, threshold limit of ₹ 20 lakh (₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of CTP who is making inter-State taxable supplies of notified handicraft goods

⁴ clarified vide Circular No. 96/15/2019 GST dated 28.03.2019

and availing the benefit of exemption from registration as mentioned in point (i) above.

(3) Persons who are required to pay tax under reverse charge on inward supplies received. However, persons engaged exclusively in making outward supplies, tax on which is liable to be paid on reverse charge basis are exempt from registration.

(4) Non-resident taxable persons (NRTP) making taxable supply.

(5) E-commerce:

(i) Every ECO (Electronic Commerce Operator) who is required to collect tax at source under section 52, ECO means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

(ii) Persons who supply goods and/or services, other than supplies specified under section 9(5), through such ECO who is required to collect tax at source under section 52. However, threshold limit of ₹ 20 lakh (₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of suppliers supplying **services** through ECO.

(6) Persons who are required to deduct tax under section 51, whether or not separately registered under this Act.

(7) Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise.

(8) Input Service Distributor, whether or not separately registered under this Act.

(9) Every person supplying online information and data base access or retrieval (OIDAR) services from a place outside India to a person in India, other than a registered person⁵;

(10) Persons who are required to pay tax under reverse charge under section 9(5) and

⁵ The provisions relating to tax deduction at source under section 51, collection of tax at source under section 52, Input Service Distributor, electronic commerce operators and OIDAR services will be discussed in detail at the Final Level. Hence, text shaded in green here is only for the purpose of knowledge of the students.

- (11) such other person or class of persons as may be notified by the Government on the recommendations of the Council.

Note: Concept of CTP and NRTP is explained subsequently in this chapter.

ILLUSTRATION 1

Examine, with reason, whether registration is required, under CGST Act, in the following independent cases:

- (i) *Aadhav Computers of Gujarat is providing computer maintenance service. Aggregate turnover of Aadhav Computers is ₹ 15 lakh which comprises both inter-State and intra-State supply.*
- (ii) *Soft Wings of West Bengal, exclusively trading in garments, supplies its taxable goods in various States of India from its outlet in West Bengal. Aggregate turnover of Soft Wings is ₹ 35 lakh.*

ANSWER

- (i) Registration is compulsory for suppliers engaged in inter-State supply. However, as per *Notification No. 10/2017 IT dated 13.10.2017*, threshold exemption of ₹ 20 lakh [₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland] is available in case of inter-State supply of taxable services.

Therefore, Aadhav Computers (aggregate turnover ₹ 15 lakh) is not required to obtain registration even though it is engaged in inter-State supply of taxable services.

- (ii) The threshold limit for registration in the State of West Bengal for the persons engaged exclusively in supply of goods, is ₹ 40 lakh. However, registration is compulsory if the supplier is engaged inter-State supply of goods irrespective of the quantum of aggregate turnover. The threshold exemption is not available in case of inter-State supply of taxable goods. Thus, Soft Wings is required to obtain registration.



6. PERSONS NOT LIABLE FOR REGISTRATION [SECTION 23]

(i) Persons not liable to registration

Section 23 lists the persons who are not liable to registration. Thus, the persons so listed will not be the 'taxable persons'.

(A) Person engaged exclusively in the business of supplying goods and/or services not liable to tax/wholly exempt from tax:

As per section 23, any person engaged **exclusively** in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under CGST Act/IGST Act shall not be liable to registration. This provision can be understood with the help of following examples:



(10) Madhur Oils, Punjab, is exclusively engaged in supplying petrol. Supply of petrol is not leviable to GST. Thus, Madhur Oils is not liable for registration as it is engaged exclusively in supplying goods not leviable to tax.



(11) Bhavyajyoti Foundation, a charitable trust registered under section 12AA of the Income-tax Act, 1961, is exclusively engaged in supply of services by way of charitable activities. Services by an entity registered under section 12AA of the Income-tax Act, 1961 by way of charitable activities are exempt from GST. Thus, Bhavyajyoti Foundation is not liable for registration as it is exclusively engaged in supplying services exempt from tax.

(B) An agriculturist, to the extent of supply of produce out of cultivation of land:

An agriculturist to the extent of supply of produce out of cultivation of land is also not liable to registration. The term agriculturist has been defined under section 2(7) of the CGST Act as an individual/Hindu Undivided Family (HUF) who undertakes **cultivation of land**—

- (a) by own labour, or
- (b) by the labour of family, or
- (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family.



From the above definition, it is clear that the benefit of not being liable to registration is only restricted to the agriculturists who are individuals or HUFs. Further, if an agriculturist is also engaged in making any supply other than supply of produce out of cultivation of land, he shall be liable to registration based on applicable threshold limit.



(12) Deshbandhu is an agriculturist engaged in cultivation of wheat in his field in the State of Punjab. He was exclusively engaged in supply of wheat cultivated in his field in the previous

year. Thus, he was not liable to registration as he was exclusively engaged in supply of produce out of cultivation of land.

In the current year, he decides to start trading in rice apart from supplying his wheat produce. His turnover in the current year is ₹ 32 lakh from supply of wheat produced and ₹ 9 lakh from trading of rice.

Since he is engaged in trading of rice also, he is not covered under section 23 above. The threshold limit for registration applicable to a person exclusively engaged in supply of goods in the State of Punjab is ₹ 40 lakh. The aggregate turnover of Deshbandhu in the current year is ₹ 41 lakh [₹ 32 lakh + ₹ 9 lakh] which exceeds the threshold limit. Thus, he will be liable to registration.

(ii) Specified category of persons notified by the Government exempted from obtaining registration

Following category of persons have been notified as being exempted from obtaining registration under GST law:

A. Persons making only reverse charge supplies

Persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both under section 9(3) have been exempted from obtaining registration *[Notification No. 5/2017 CT dated 19.06.2017]*.



(13) Manikaran Transporters is a Goods Transport Agency (GTA) engaged exclusively in supplying GTA services liable to tax under reverse charge [since tax is being paid on GTA services @ 5% in the given case]. Thus, it is exempt from registration as it is engaged exclusively in making supplies, tax on which is liable to be paid on reverse charge basis.

Further, Manikaran Transporters supplies said service to Diwakar Manufacturing Pvt. Ltd. whose aggregate turnover does not exceed the applicable threshold limit. However, since Diwakar Manufacturing Pvt. Ltd. has to pay tax on GTA services [@ 5%] under reverse charge, it is required to obtain registration mandatorily irrespective of its aggregate turnover.

B. Persons making inter-State supplies of taxable services up to ₹ 20 lakh

The persons making inter-State supplies of taxable services and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of ₹ 20 lakh in a financial year have been exempted from obtaining compulsory registration. However, the aggregate value of such supplies,

computed on all India basis, should not exceed an amount of ₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland [Notification No. 10/2017 IT dated 13.10.2017].



(14) Dhola & Co., located in Delhi, is engaged in supply of taxable goods⁶ in the neighbouring States of Punjab and Haryana. Its aggregate turnover in current FY is ₹ 10 lakh. Since it is engaged in making inter-State taxable supply of goods, it is required to register mandatorily under GST irrespective of its aggregate turnover.

However, if in the above case, Dhola & Co. is engaged in inter- State supply of taxable services instead of goods, it will be eligible for exemption from registration till its aggregate turnover does not exceed ₹ 20 lakh.

C. Persons making inter-State taxable supplies of notified handicraft goods up to ₹ 20,00,000

As we have seen earlier that as per section 24 read with Notification No. 10/2017 IT, a person making inter-State supplies of goods is liable to be registered compulsorily under GST irrespective of the threshold limit.



However, in the following cases, **persons making inter-State supplies of goods** have been exempted from obtaining registration:

- (a) Persons making inter-State taxable supplies of **notified⁷ handicraft goods**.

⁶ other than notified handicraft goods

⁷ Handicraft goods referred herein are goods as defined and notified in Notification No. 21/2018 CT (R) dated 26.07.2018. This notification notifies the handicraft items which are eligible for concessional rate of tax, for instance, handcrafted candles, articles made of paper mache, coir articles, handbags including pouches and purses; jewellery box, hand embroidered articles, art ware of iron/aluminium, etc. These examples are only for the purpose of knowledge and are not relevant for examination purposes. Handicraft goods are defined under said notification as goods predominantly made by hand even though some tools or machinery may also have been used in the process; such goods are graced with visual appeal in the nature of ornamentation or in-lay work or some similar work of a substantial nature; possess distinctive features, which can be aesthetic, artistic, ethnic or culturally attached and are amply different from mechanically produced goods of similar utility.

- (b) Persons making inter-State taxable supplies of **notified products**⁸, when made by craftsmen predominantly by hand even though some machinery may also be used in the process.

Conditions to be fulfilled:

1. The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ₹ 20 lakh [₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland] in a FY.
2. Such persons have obtained a PAN and have generated an se-way bill *[Notification No. 3/2018 IT dated 22.10.2018]*.



(15) Ariza Pvt. Ltd., located in Madhya Pradesh, is a supplier of taxable and notified handicraft goods. It supplies these goods in the neighbouring States of Uttar Pradesh and Orissa. Its aggregate turnover in the month of April is ₹ 15 lakh. Although Ariza Pvt. Ltd. is engaged in making inter-State supplies of taxable goods, it is not liable to obtain registration till its aggregate turnover does not exceed ₹ 20 lakh as it has availed the exemption from registration under *Notification No. 03/2018 IT*⁹.

D. Casual Taxable Persons making inter-State taxable supplies of notified handicraft goods up to ₹ 20 lakh

As we have seen earlier that as per section 24, a CTP is liable to be registered compulsorily under GST irrespective of the threshold limit.

However, following categories of CTPs have been exempted from obtaining registration:

- (a) CTPs making inter-State taxable supplies of **notified handicraft goods**, *[as referred in Point C. above]* or
- (b) CTPs making inter-State taxable supplies of **notified products** *[as referred in Point C. above]*, when made by the craftsmen

⁸ Some of the notified products are leather articles, carved wood products, wood turning and lacquer ware, bamboo products, textiles hand printing, theatre costumes, musical instruments, dolls and toys, etc. These examples are only for the purpose of knowledge and are not relevant for examination purpose.

⁹ Subject to fulfilment of other conditions prescribed under said notification.

predominantly by hand even though some machinery may also be used in the process.

Conditions to be fulfilled:

1. CTPs are availing benefit of *Notification No. 03/2018 IT dated 22.10.2018 [discussed above]*.
2. The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ₹ 20 lakh [₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland] in a FY.
3. Such persons have obtained a PAN and have generated an e-way bill [*Notification No. 56/2018 CT dated 23.10.2018*].

Liability to register in respect of services provided by the commission agent for sale/ purchase of agricultural produce

Circular No. 57/31/2018 GST dated 04.09.2018, inter alia, clarifies as follows:

Mr. A sells agricultural produce by utilizing the services of Mr. B who is a commission agent as per the Agricultural Produce Marketing Committee Act (APMC Act) of the State¹⁰. Mr. B identifies the buyers and sells the agricultural produce on behalf of Mr. A for which he charges a commission from Mr. A. In cases where the invoice is issued by Mr. B to the buyer, Mr. B is an agent as covered under Para 3. of Schedule I to the CGST Act. Hence, in such cases, the services supplied by commission agent Mr. B on behalf of the principal without consideration shall be deemed to be a supply – *Concept of Deemed Supply under Schedule-I has been discussed in detail in Chapter 2 – Supply under GST.*

The registration requirements of the commission agents in such cases have been examined and clarified as follows:

- (i) Since the services provided by the commission agent for sale or purchase of agricultural produce are exempt from GST vide *Notification No. 12/2017 CT (R) dated 28.06.2017 [Discussed in Chapter 4 – Exemptions from GST]*, such commission agents (even when they qualify as agent under Schedule I) are

¹⁰ As per the APMC Act, the commission agent is a person who buys or sells the agricultural produce on behalf of his principal, or facilitates buying and selling of agricultural produce on behalf of his principal and receives, by way of remuneration, a commission or percentage upon the amount involved in such transaction.

not liable to be registered in accordance with provisions of section 23(1)(a) [as discussed above].

- (ii) As we have already seen, as per section 24, a person is liable for mandatory registration if he makes taxable supply of goods or services or both on behalf of other taxable persons.

Accordingly, a commission agent will be liable to get mandatorily registered under this provision only when both the following conditions are satisfied:

- (a) the principal should be a taxable person; and
- (b) the supplies made by the commission agent should be taxable.

However, generally, a commission agent under APMC Act makes supplies on behalf of an agriculturist who is not a taxable person if he supplies produce out of cultivation of land [as seen above].

Thus, a commission agent, who is making supplies on behalf of non-taxable person [viz. agriculturist], is not liable for compulsory registration under this provision.

- (iii) However, where a commission agent is liable to pay tax under reverse charge, such an agent will be required to get registered compulsorily (We have already seen under previous heading that persons liable to pay tax under reverse charge are required to obtain registration mandatorily).

The provisions of section 23 can be summarized in the following diagram:

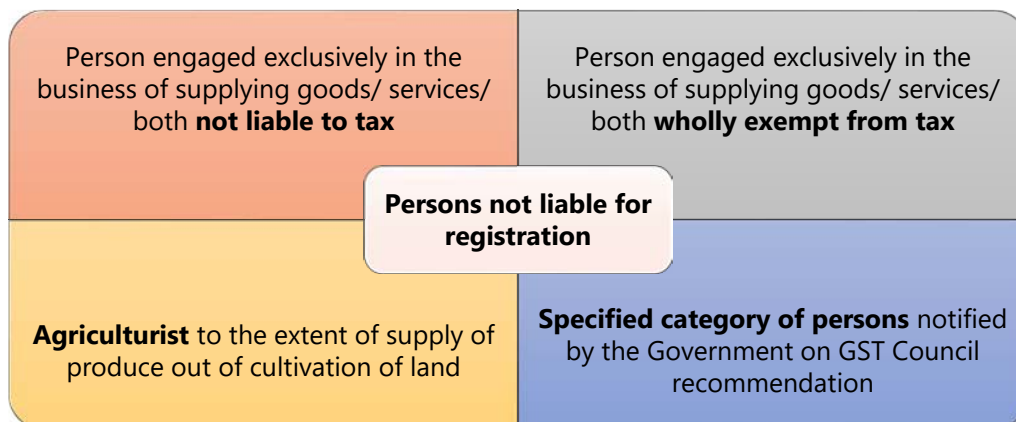


ILLUSTRATION 2

Examine whether the liability to register compulsorily under section 24 arises in each of the independent cases mentioned below:

- (1) *Meenu, a supplier in Maharashtra, is exclusively engaged in supply of potatoes produced out of cultivation of her own land, within Maharashtra and also outside Maharashtra.*
- (2) *Jinu Oils, Gujarat, is engaged in supplying machine oil as well as petrol. Further, it provides services of refining of oil to customers. Total turnover of supply of machine oil is ₹ 10 lakh, supply of petrol is ₹ 5 lakh and supply of services is ₹ 6 lakh.*
- (3) *Tilu is working as an agent, he is supplying taxable goods as an agent of Tiku (who is registered taxable person) and its aggregate turnover does not exceed ₹ 20 lakh during the financial year.*

ANSWER

- (1) Section 24 of the CGST Act provides that persons making any inter-State taxable supply of goods are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover.

However, as per section 23, an agriculturist, to the extent of supply of produce out of cultivation of land, is not liable to registration.

Meenu is exclusively engaged in cultivation and supply of potatoes. Thus, she is not liable to registration irrespective of the fact that she is engaged in making inter-State supply of goods. Further, Meenu will not be liable to registration, in the given case, even if her turnover exceeds the threshold limit.

- (2) Section 24 of the CGST Act specifies the categories of persons who are required to be mandatorily registered under GST irrespective of the quantum of their aggregate turnover.

In the given case, Jinu Oils does not fall in any of the specified categories. Therefore, it is not required to obtain registration compulsorily under GST.

However, as per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making supply of both goods and services is ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland and ₹ 20 lakh for the rest of India. Thus, the applicable threshold limit for the State of Gujarat is ₹ 20 lakh for supply of both goods and services. Further, aggregate turnover includes exempted turnover of goods or services.

Accordingly, Jinu Oils is liable obtain registration since its aggregate turnover [₹ 21 lakh (including turnover of exempt supply of petrol)] exceeds the threshold limit of ₹ 20 lakh.

- (3) Section 24 of the CGST Act provides that persons who make taxable supply of goods and/or services on behalf of other taxable persons whether as an agent or otherwise are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover.

Therefore, Tilu will be mandatorily required to obtain registration.



7. PROCEDURE FOR REGISTRATION [SECTIONS 25, 26 & 27]



STATUTORY PROVISIONS

Section 25	Procedure for registration
Sub-section	Particulars
(1)	<p><i>Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed.</i></p> <p><i>Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.</i></p> <p><i>Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the same State or Union territory.</i></p>
(2)	<p><i>A person seeking registration under this Act shall be granted a single registration in a State or Union territory.</i></p> <p><i>Provided that a person having multiple places of business in a State or Union territory may be granted a separate registration</i></p>

	<i>for each such place of business, subject to such conditions as may be prescribed.</i>
(3)	<i>A person, though not liable to be registered under section 22 or section 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.</i>
(4)	<i>A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act</i>
(5)	<i>Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.</i>
(6)	<i>Every person shall have a Permanent Account Number issued under the Income- tax Act, 1961 in order to be eligible for grant of registration: Provided that a person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number issued under the said Act in order to be eligible for grant of registration.</i>
(6A)	<i>Every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in such form and manner and within such time as may be prescribed.</i> <i>Provided that if an Aadhaar number is not assigned to the registered person, such person shall be offered alternate and viable means of identification in such manner as Government may, on the recommendations of the Council, prescribe.</i> <i>Provided further that in case of failure to undergo authentication or furnish proof of possession of Aadhaar number or furnish alternate and viable means of</i>

	<i>identification, registration allotted to such person shall be deemed to be invalid and the other provisions of this Act shall apply as if such person does not have a registration.</i>
(6B)	<p><i>On and from the date of notification, every individual shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number, in such manner as the Government may, on the recommendations of the Council, specify in the said notification.</i></p> <p><i>Provided that if an Aadhaar number is not assigned to an individual, such individual shall be offered alternate and viable means of identification in such manner as the Government may, on the recommendations of the Council, specify in the said notification.</i></p>
(6C)	<p><i>On and from the date of notification, every person, other than an individual, shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number of the Karta, Managing Director, whole time Director, such number of partners, Members of Managing Committee of Association, Board of Trustees, authorised representative, authorised signatory and such other class of persons, in such manner, as the Government may, on the recommendation of the Council, specify in the said notification</i></p> <p><i>Provided that where such person or class of persons have not been assigned the Aadhaar Number, such person or class of persons shall be offered alternate and viable means of identification in such manner as the Government may, on the recommendations of the Council, specify in the said notification.</i></p>
(6D)	<p><i>The provisions of sub-section (6A) or sub-section (6B) or sub-section (6C) shall not apply to such person or class of persons or any State or Union territory or part thereof, as the Government may, on the recommendations of the Council, specify by notification.</i></p> <p><i>Explanation—For the purposes of this section, the expression</i></p>

	<i>"Aadhaar number" shall have the same meaning as assigned to it in clause (a) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016</i>				
(7)	<i>Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of such other documents as may be prescribed</i>				
(8)	<i>Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under this Act or under any other law for the time being in force, proceed to register such person in such manner as may be prescribed</i>				
(9)	<p><i>Notwithstanding anything contained in sub-section (1),—</i></p> <table border="1"> <tr> <td><i>(a)</i></td><td><i>any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries ; and</i></td></tr> <tr> <td><i>(b)</i></td><td><i>any other person or class of persons, as may be notified by the Commissioner,</i></td></tr> </table> <p><i>shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed.</i></p>	<i>(a)</i>	<i>any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries ; and</i>	<i>(b)</i>	<i>any other person or class of persons, as may be notified by the Commissioner,</i>
<i>(a)</i>	<i>any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries ; and</i>				
<i>(b)</i>	<i>any other person or class of persons, as may be notified by the Commissioner,</i>				
(10)	<i>The registration or the Unique Identity Number shall be granted or rejected after due verification in such manner and within such period as may be prescribed</i>				
(11)	<i>A certificate of registration shall be issued in such form and with effect from such date as may be prescribed</i>				
(12)	<i>A registration or a Unique Identity Number shall be deemed to have been granted after the expiry of the period prescribed under</i>				

	<i>sub-section (10), if no deficiency has been communicated to the applicant within that period.</i>
Section 26	Deemed registration
(1)	<i>The grant of registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique Identity Number has not been rejected under this Act within the time specified in sub-section (10) of section 25.</i>
(2)	<i>Notwithstanding anything contained in sub-section (10) of section 25, any rejection of application for registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.</i>
Section 27	Special provisions relating to casual taxable person and non-resident taxable person
(1)	<i>The certificate of registration issued to a casual taxable person or a non- resident taxable person shall be valid for the period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration.</i> <i>Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of ninety days by a further period not exceeding ninety days.</i>
(2)	<i>A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (1) of section 25, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought.</i> <i>Provided that where any extension of time is sought under sub-section (1), such taxable person shall deposit an additional</i>

	<i>amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.</i>
(3)	<i>The amount deposited under sub-section (2) shall be credited to the electronic cash ledger of such person and shall be utilised in the manner provided under section 49.</i>



ANALYSIS

Procedure for registration is governed by section 25 of the CGST Act read with relevant CGST Rules. Relevant provisions of CGST Rules have been incorporated at the relevant places. Further, special provisions have been provided for registration of casual taxable person and non-resident taxable person under section 27. Concept of deemed registration has been elaborated under section 26. Under GST, the application for registration has to be submitted electronically at the GST Common Portal – www.gst.gov.in, duly signed or verified.

A large number of forms/formats relating to registration have been prescribed in the CGST Rules. For every process in the registration chain such as application for registration, acknowledgment, query, rejection, registration certificate, show cause notice for cancellation, reply, cancellation, amendment, field visit report etc., there are separate standard formats¹¹. This makes the process uniform all over the country. The decision-making process has also been expedited. Strict time-lines have been stipulated for completion of different stages of registration process.

(i) **Where and by when to apply for registration? [Section 25(1)]**

Particulars	Where	When
Person who is liable to be registered under section 22 or section 24	in every such State/UT in which he is so liable	within 30 days from the date on which he becomes liable to registration
A casual taxable person or a		at least 5 days prior to

¹¹ Students are advised to go through various forms/formats relating to registration at <http://www.gst.gov.in> for knowledge purposes.

non-resident taxable person

commencement of business



Delhi.

(16) Sugam Services Ltd. is engaged in taxable supply of services in Delhi. The turnover of Sugam Services Ltd. exceeded ₹ 20 lakh on 1st November. It is liable to apply for registration by 1st December in

(ii) State-wise registration [Section 25(2) read with rule 11]

(A) One registration per State

- ☐ Registration needs to be taken State-wise, i.e. there is no centralized registration under GST. A business entity having its branches in multiple States will have to take separate State-wise registration for its branches in different States.
- ☐ Further, within a State, an entity with different branches shall be granted single registration wherein it can declare one place as principal place of business (PPoB) and other branches as additional places of business (APoB).

(B) Separate registration for different places of business within a State/UT may be granted

- ☐ Although a taxpayer having multiple **places of business** in one State is not mandatorily required to obtain separate registration for each such place of business in the State, he has an option to obtain independent registrations with respect to each such separate place of business.
- ☐ However, separate registration for each place of business shall be granted provided all separately registered places of business of such person pay tax on supply of goods/services/both made to another registered place of business, of such person and issue a tax invoice/bill of supply, for such supply. **Separate registration application needs to be filed for each place of business.**
- ☐ A registered person opting to obtain separate registration for a place of business shall submit a separate application in Form GST REG 01 in respect of such place of business.

- ❑ The provisions of rules 9 and 10 *[Discussed in subsequent paras]* relating to verification and grant of registration shall mutatis mutandis apply to an application submitted under this rule.



(17) Meethalal & Sons - a supplier in Maharashtra - has three branches in Mumbai, Pune and Mahabaleshwar. Mumbai and Pune branches are engaged in supply of garments and Mahabaleshwar branch engaged in supply of shoes. Either it can obtain single registration for Maharashtra declaring one of the branches as PPoB (let's say Mumbai) and other two branches (Pune and Mahabaleshwar) as APoB or it can obtain separate GST registration for each of the three branches in Mumbai, Pune and Mahabaleshwar as separate places of business.

In case Meethalal & Sons opts to have separate registrations for its all three branches and Mumbai branch sends some garments [subject to GST] for sale to Pune branch, Mumbai branch must raise a tax invoice and pay tax on such transfer of garments to Pune branch.

(C) Composition levy in case of separate registration for multiple places of business within a State/UT

- ❑ If a person is paying tax for one of his places of business under normal scheme, he shall not pay tax under composition levy for any other place of business.
- ❑ If one of the places of business [separately registered] of a registered person becomes ineligible to pay tax under composition levy, all other registered places of business of said person would also become ineligible to pay tax under composition levy.
- ❑ The provisions of rules 9 and 10 *[Discussed in subsequent paras]* relating to verification and grant of registration shall mutatis mutandis apply to an application submitted under this rule.

(iii) Voluntary registration [Section 25(3)]

A person who is not liable to be registered under section 22 or section 24 may get himself registered voluntarily. In case of voluntary registration, all provisions of this Act, as are applicable to a registered person, shall apply to voluntarily registered person. However, once a person obtains voluntary registration, he has to pay tax even though his aggregate turnover does not exceed ₹ 40 lakh/₹ 20 lakh/₹ 10 lakh, as the case may be.

Voluntary registration is usually obtained by the business for ensuring seamless flow of credit to their customers.

(iv) Distinct Persons/ establishments of distinct persons [Section 25(4) & (5)]

A person who has obtained/ is required to obtain more than one registration, whether in one State/ Union territory or more than one State/Union territory shall, in respect of each such registration, be treated as **distinct persons**.

Further, where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as **establishments of distinct persons**. *These concepts have already been discussed in detail in Chapter 2– Supply under GST.*

(v) PAN must for obtaining registration [Section 25(6) & (7)]

Permanent Account Number is mandatory to be eligible for grant of registration.

★ A Non-Resident Taxable Person (NRTP) may be granted registration on the basis of other prescribed documents *[Elaborated in subsequent paras]*.

(vi) Unique Identity Number (UIN) [Section 25(9) & (10) read with rule 17]

Any specialized agency of the United Nations Organization or any Multilateral Financial institution and organization as notified under the United Nations (Privileges and Immunities) Act, 1947, consulate or embassy of foreign countries and any other person notified by the Commissioner, is required to obtain a UIN from the GSTN portal.



This UIN is needed for claiming refund of taxes paid on notified supplies of goods and/or services received by them, and for such other purpose as may be notified. UIN granted is a centralized UIN i.e. it shall be applicable to the territory of India. **A person having UIN is not registered person and thus, is not a taxable person.**

The proper officer may, upon submission of an application in prescribed form or after filling up the said form or after receiving a recommendation from the Ministry of External Affairs, Government of India, assign a UIN to the said person and issue a certificate in Form GST REG 06 within **3 working days** from the date of submission of application.

(vii) **Suo-motu registration by the proper officer [Section 25(8) read with rule 16]**

Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act** has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in prescribed form.

**Temporary
registration**

***Such person shall either:*

- (i) submit an application for registration in prescribed form within 90 days from the date of grant of temporary registration, or
- (ii) file an appeal against such temporary registration.

In case (ii), if the Appellate Authority upholds the liability to registration, application for registration shall be submitted within 30 days from the date of issuance of such order of the Appellate Authority.

Provisions relating to verification and issue of registration certificate [as contained in rules 9 and 10] *[discussed in subsequent paras]* shall, *mutatis mutandis*, apply to such application submitted by the person granted temporary registration. GSTIN thereafter granted shall be effective from the date of order of proper officer granting temporary registration.

(viii) **Procedure for registration [Section 25 read with rules 8, 9 & 10]**

Provisions relating to procedure for application for registration, verification of the application and approval & issue of registration certificate are contained in the rules 8, 9 and 10 respectively. The same have to be read in conjunction with section 25 provisions. The procedure for registration prescribed under rules 8, 9 and 10 are also applicable to a person paying tax under composition levy, every person seeking voluntary registration as well as a casual taxable person.

However, procedure so laid down will not apply to:

- Non-resident taxable person (NRTP)
- A person required to deduct tax at source under section 51
- A person required to collect tax at source under section 52

- A person supplying OIDAR services from a place outside India to a non-taxable online recipient referred to in section 14 of IGST Act.

Separate registration forms and procedure have been prescribed for each of the aforesaid persons. Procedure relating to N RTP has been discussed subsequently, but procedure for other three persons has been covered at the Final level.

Such persons shall apply for registration in **Form GST REG 01**. The application for registration in GST Form REG 01 is divided into two parts – Part A and Part B.

In order to cater to the needs of tax payers who are not IT savvy, Facilitation centres have been established which help the taxpayer in submitting the application for registration, amending the registration certificate, submitting application for cancellation of registration, revocation of cancellation of registration, etc. Facilitation Centre shall be responsible for the digitization and/or uploading of the forms and documents.

Application for registration by Special Economic Zone (SEZ) [Second proviso to section 25(1): A person

having unit in SEZ/an SEZ developer will have to make a separate application for registration as distinct from his place of business located outside SEZ in the same State/UT. Thus, there may be a case where two units of a tax payer are located in same State/UT - one in SEZ and another outside SEZ. In that case, separate registrations have to be obtained for each of the two units as separate places of business.

SEZ is a geographically bound zone where the economic laws relating to export and import are more liberal as compared to other parts of the country. SEZ is considered to be a place outside India for all tax purposes.



(18) Suvarna Industries is engaged in manufacturing activities in Uttar Pradesh. It has two manufacturing units in UP - one in SEZ and another outside SEZ. Under GST, one registration per State is required. However, since in this case, one of the two units of Suvarna Industries is located in SEZ, SEZ unit will have to compulsorily make a separate application for registration as a place of business distinct from unit located outside SEZ in the same State.

Procedure for registration has been depicted by way of a diagram below:

Procedure for registration

Part I

Every person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his Permanent Account Number (PAN), mobile number, e-mail address, State/UT in **Part A of FORM GST REG-01** on GST Common Portal.

PAN, mobile number & e-mail address are validated.

PAN validated online by Common Portal from CBDT database

Mobile number and email verified through one time password sent to it.

Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.

While submitting the application, the applicant shall undergo authentication of Aadhaar number for grant of registration. (discussed in detail afterwards)

Part B of application contains the details, such as, constitution of business, jurisdiction, option for composition, date of commencement of business, reason to obtain registration, address of PPOB and nature of activity carried out therein, details of APoB, **details of bank account(s)**, details of authorized signatory, etc.

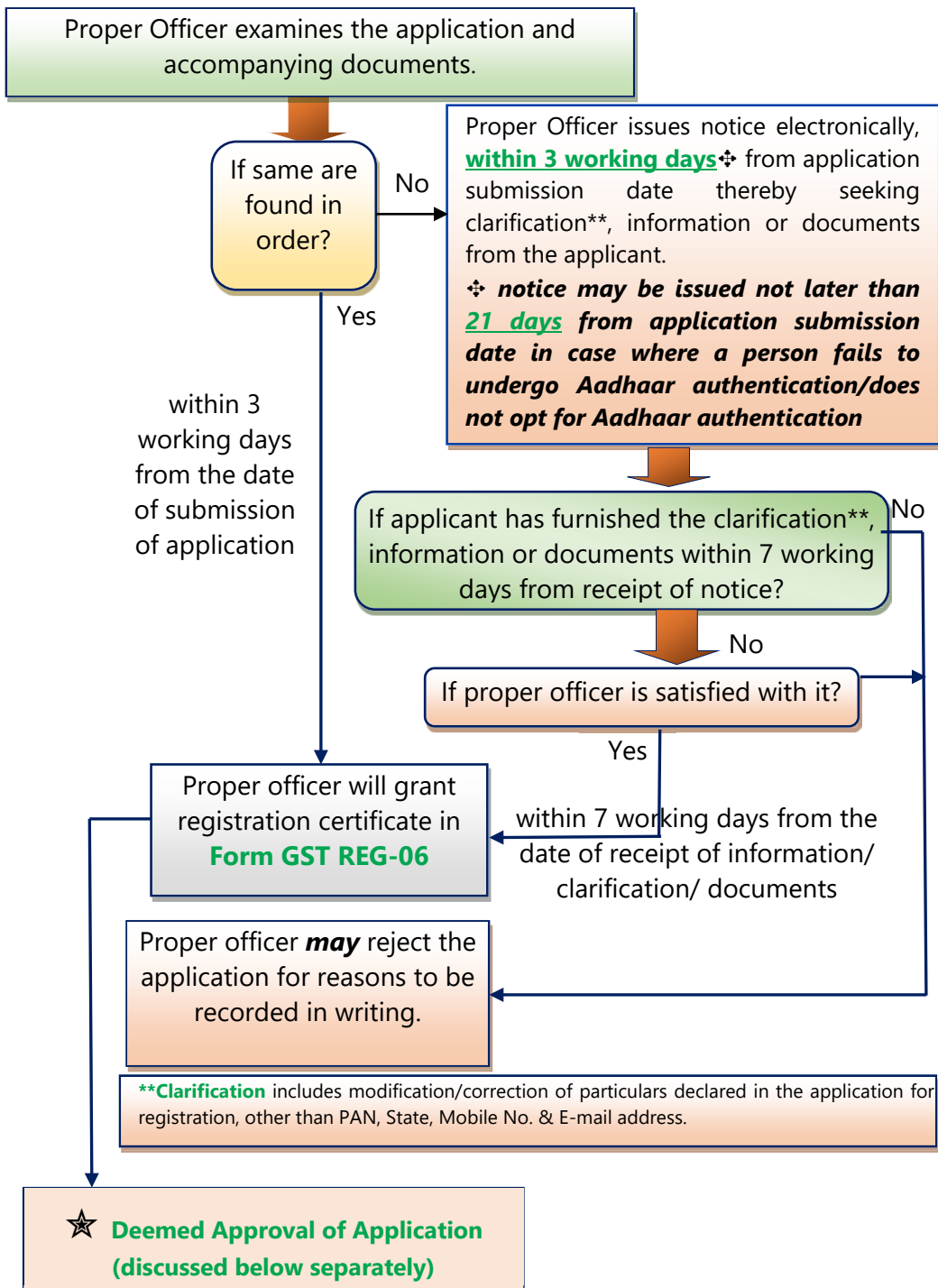
On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A **Causal Taxable Person (CTP)** applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.*

Application shall be forwarded to the Proper Officer.

The procedure after receipt of application by the Proper Officer is depicted in Part II.

** Discussed in detail in subsequent paras.*

Part II



★ **Deemed Approval of Application**

If the proper officer fails to take any action in the following cases within the stipulated time, the application for grant of registration shall be deemed to have been approved-

in cases where a person successfully undergoes authentication of Aadhaar number or is exempt from Aadhaar authentication

• within a period of 3 working days from the date of submission of application

in cases where a person fails to undergo Aadhaar authentication or does not opt for Aadhaar authentication

• within a period of 21 days from the date of submission of application

in cases where Proper Officer issues notice seeking clarification, information or documents from the applicant

• within 7 working days from the date of receipt of clarification, information or documents furnished by the applicant

Thus, in case of successful authentication of Aadhaar, registration will be deemed approved within 03 working days. However, if Aadhaar authentication is not opted for or if authentication fails in validation and no SCN is issued within 21 days by tax official, registration will be deemed approved.

Tax Officer can issue SCN within the period specified for grant of registration, like in cases of successful Aadhaar authentication i.e. 3 working days, or in cases when taxpayer do not opt to provide Aadhaar or when Aadhaar authentication fails i.e. 21 working days. Applicants can submit their reply within 7 working days from issue of SCN.

Aadhaar authentication

[Section 25(6A), (6B), (6C) & (6D) read with rules 8, 9 and 25]

As seen above, there's a simplified registration procedure under GST. However, this easy registration procedure was unduly misused by fly-by-night operators. Thus, in an endeavor to curb/check such operators and to increase compliance, aadhaar e-KYC based registration has been introduced under the GST law. With effect from 21.08.2020, aadhaar authentication is mandatory for the new applicants (whether an individual applicant or an applicant other than individual) in order to be eligible for grant of registration. Aadhaar Authentication process has been introduced,

for the persons applying for GST registration as normal taxpayer/ composition/ casual taxable person/ Input Service Distributor (ISD)/ SEZ Developer/ SEZ Unit etc, in Form GST REG 01.

Applicants, who, either do not provide Aadhaar, while applying for new registration or whose Aadhaar authentication fails in validation, would be subjected to site verification by the tax department. However, tax authority, based on the documents produced, can grant registration.

Subsequently, existing registrants (those who are already registered under GST) will also be required to undergo aadhaar authentication otherwise their registration shall be deemed to be invalid. However, no notification has been issued yet prescribing the manner of undergoing aadhaar authentication of already registered persons.

A. Persons required to undergo aadhaar authentication

As per section 25(6A), (6B) and (6C), following persons are required to undergo aadhaar authentication:

(i) New applicant

Every (i) individual applicant or (ii) an applicant, other than an individual, shall undergo authentication/furnish proof of possession of Aadhaar number, in the manner prescribed in rule 8¹². Rule 8(4A) provides that where an applicant opts for authentication of Aadhaar number, he shall, while submitting an application for registration, undergo authentication of Aadhaar number. Said authentication is required to be eligible for grant of registration.

Date of submission of the application in such cases shall be earlier of:

(a) the date of authentication of the Aadhaar number,

or

(b) 15 days from the submission of the application in Part B of Form GST REG-01

¹² vide Notification No. 18/2020 CT dated 23.03.2020

In case applicant is an individual, he shall undergo authentication of his own aadhaar number.

In case applicant is other than individual, the authentication will be of aadhaar number of the Karta, Managing Director, whole time Director, such number of partners, Members of Managing Committee of Association, Board of Trustees, authorised representative, authorised signatory and such other notified class of persons [authorised signatory of all types, Managing and Authorised partners of a partnership firm and Karta of a Hindu Undivided Family, have been so notified¹³].

(ii) Persons already registered

Every registered person shall undergo authentication/furnish proof of possession of Aadhaar number, in prescribed form and manner and within the prescribed time.

B. Where Aadhaar number is not assigned

(i) In case of new applicant

If an aadhaar number is not assigned to a new applicant – either (i) an individual or (ii) person/class of persons (other than individual), such individual/person/class of persons shall be offered alternate and viable means of identification in the manner specified in rule 9¹⁴.

First proviso to rule 9(1) provides that where a person fails to undergo authentication of aadhaar number or does not opt for authentication of Aadhaar number, the registration shall be granted only after physical verification of the principal place of business in the prescribed manner (specified in rule 25 discussed subsequently).

However, in lieu of the physical verification of the place of business, the proper officer may carry out the verification of such documents as he may deem fit. For this, he needs to record the

¹³ vide Notification No. 19/2020 CT dated 23.03.2020

¹⁴ Provisos to section 25(6B) and 25(6C) read with Notification No.s 18 and 19/2020 CT both dated 23.03.2020

reasons in writing and needs to take the approval of an officer not below the rank of Joint Commissioner [Second proviso to rule 9(1)].

Further, in such case, a notice (in prescribed form) seeking clarifications/ information/ documents from the applicant may be issued by the proper officer not later than 21 days from the submission of the application for registration [Proviso to rule 9(2)].

(ii) In case of an already registered persons

If an Aadhaar number is not assigned to an existing registered person, such person shall be offered alternate and viable means of identification in the prescribed manner¹⁵.

In case of failure to undergo aadhaar authentication/furnish proof of possession of Aadhaar number/furnish alternate and viable means of identification, registration allotted to such person shall be deemed to be invalid and the other provisions of this Act shall apply as if such person does not have a registration¹⁶.

C. Persons/class of persons exempt from aadhaar authentication

Section 25(6D) stipulates that above provisions shall not apply to such person or class of persons or any State or Union territory or part thereof, as may be notified.

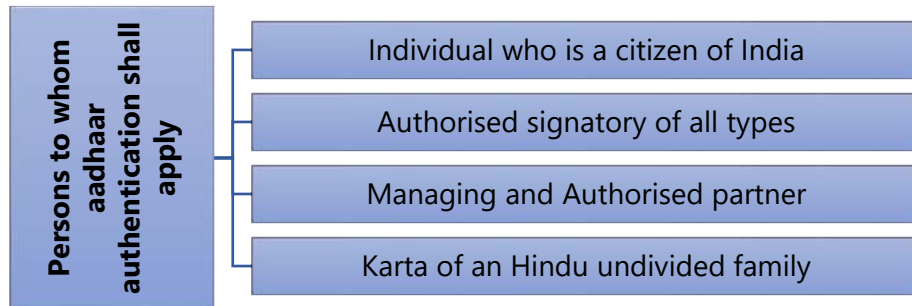
Following have been notified in this regard¹⁷:

- (i) A person who is not a citizen of India**
- (ii) A class of persons other than the following class of persons:**
 - ☐ **Individual**
 - ☐ **Authorised signatory of all types**
 - ☐ **Managing and Authorised partner**
 - ☐ **Karta of a Hindu Undivided Family**

¹⁵ First proviso to section 25(6A)

¹⁶ Second proviso to section 25(6A)

¹⁷ vide Notification No. 17/2020 CT dated 23.03.2020



How aadhaar authentication is done?

Once registration application is submitted, GST system sends "link" to the concerned persons at their GST registered mobile numbers and email ids mentioned in the GST application, for the aadhaar authentication.

On clicking the verification link, a window for Aadhaar Authentication will open where they have entered Aadhaar Number and the OTP received by them on the mobile number linked with Aadhaar.

Taxpayers need to complete Aadhaar authentication of all Promoters/ Partners/ Authorized Signatories/ Karta etc. as mentioned in the application to avail this option.

On successful authentication, demographic data of the persons is fetched from Aadhaar to GST System.

Furnishing of bank account details [Rule 10A]

As seen in the diagram outlining the procedure for registration, while filing the application for registration on GST portal, in Part B of the application form, a person is required to furnish the details of his bank account. Rule 10A relaxes this requirement to a limited extent. In pursuance to the same, the registered person is allowed to furnish information with respect to details of bank account, or any other information, as may be required on the common portal in order to comply with any other provision, soon after obtaining certificate of registration and a GSTIN, but not later than 45 days from the date of grant of registration or the date on which the return required under section 39 is due to be furnished, whichever is earlier.

In short, a taxpayer has an option to give his bank account details after obtaining registration, within 45 days from the date of grant of registration or the due date of furnishing return, whichever is earlier.

However, this relaxation is not available for those who have been granted registration as TDS deductor/ TCS collector under rule 12¹⁸ or who have obtained suo-motu registration under rule 16. They are mandatorily required to furnish the bank account details at the time of filing the application for registration.

Physical verification of business premises in certain cases [Rule 25]

Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication or due to not opting for Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done. The verification report along with the other documents, including photographs, shall be uploaded in prescribed form on the common portal within a period of 15 working days following the date of such verification.

Issuance of registration certificate [Rule 10]

Where the application for grant of registration has been approved, a certificate of registration [duly signed or verified through EVC by the proper officer] in **Form GST REG-06** showing the PPOB and APOB is made available to the applicant on the Common Portal and a Goods and Services Tax Identification Number (hereinafter referred to as "GSTIN") i.e. the GST registration no. is communicated to applicant, within 3 days after the grant of registration.

GSTIN format

State Code		PAN										Entity Code	Check sum character

Display of registration certificate and GSTIN on the name board [Rule 18]

Every registered person shall display his registration certificate in a prominent location at his PPOB and at every APOB. Further, his GSTIN also

¹⁸ Provisions relating to TDS and TCS have been discussed in detail at Final level.

has to be displayed on the name board exhibited at the entry of his PPoB and at every APoB.

(ix) Effective date of registration [Rule 10]

Where an applicant submits application for registration	effective date of registration is
within 30 days from the date he becomes liable to registration	the date on which he becomes liable to registration
after 30 days from the date he becomes liable to registration	date of grant of registration



(19) Sugam Services Ltd. is engaged in taxable supply of services in Madhya Pradesh. The turnover of Sugam Services Ltd. exceeded ₹ 20 lakh on 1st November. It is liable to get registered by 1st December [30 days] in the State of Madhya Pradesh. It applies for registration on 28th November and is granted registration certificate on 5th December. The effective date of registration of Sugam Services Ltd. is 1st November.



(20) In above example, if Sugam Services Ltd. applies for registration on 3rd December and is granted registration certificate on 10th December. The effective date of registration of Sugam Services Ltd. is 10th December.

ILLUSTRATION 3

Determine the effective date of registration under CGST Act in respect of the following cases with proper explanation:

- (i) *The aggregate turnover of Varun Industries of Mumbai has exceeded ₹ 40 lakh on 1st August. Varun Industries manufactures LED TVs in Mumbai and sells them in Pune. It submits the application for registration on 20th August. Registration certificate granted on 25th August.*
- (ii) *Sweta InfoTech Services is the provider of internet services in Pune. Its aggregate turnover exceeds ₹ 20 lakh on 25th September. It submits the application for registration on 27th October. Registration certificate is granted on 5th November.*

ANSWER

As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-

- (a) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (b) ₹ 20 lakh for the States of States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- (c) ₹ 40 lakh for rest of India. However, the higher threshold limit of ₹ 40 lakh is not available to persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-

- (a) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (b) ₹ 20 lakh for the rest of India.

As per rule 10, where a person submits the application for registration within 30 days of becoming liable for registration, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

In the light of the above provisions, in the given cases, the applicable turnover limit for registration will be ₹ 40 lakh and ₹ 20 lakh respectively in case (i) and (ii).

- (i) Since Varun Industries applied for registration within 30 days of becoming liable to registration, the effective date of registration is 1st August.
- (ii) Since Sweta InfoTech Services applied for registration after the expiry of 30 days from the date of becoming liable to registration, the effective date of registration is 5th November.

(x) **Special provisions for grant of registration in case of Non-Resident Taxable Person (NRTP) and Casual Taxable Person (CTP) [Sections 25 & 27 read with rules 13 & 15]**

(A) **Meaning of casual taxable person and non-resident taxable person**

Before going into nuances of the registration provisions of CTP and NRTP, let us first understand the meaning of casual taxable person and non-resident taxable person:

Casual Taxable Person

There may be case where a person has a registered business in some State in India, but wants to effect supplies from some other State in which he does not have any fixed place of business. Such person needs to register in the State from where he seeks to supply as a 'casual taxable person'.



CGST Act defines a **casual person** as a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in **a State/UT where he has no fixed place of business** [Section 2(20)]. Further, he cannot exercise the option to pay tax under composition levy.



(21) Krishnadev & Co., engaged in supplying taxable goods, is registered in Rajasthan. It wishes to participate in a 5 days' business exhibition being held in Delhi. However, it does not have a fixed place of business in Delhi. In this case, Krishnadev & Co. has to obtain registration as a casual taxable person in Delhi.

Non-Resident Taxable Person

A person who is a foreigner and occasionally wants to effect taxable supplies from any State in India needs GST registration for the same. Such person needs to register in the State



from where he seeks to supply as a non-resident taxable person. CGST Act defines **non-resident taxable person** as any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has **no fixed place of business or residence in India** [Section 2(77)]. He cannot exercise the option to pay tax under composition levy.

Based on the aforesaid definitions, following points merit consideration:

- ❑ A CTP does not have a fixed place of business in the State/UT where he undertakes supply though he might be registered with regard to his fixed place of business in some other State/UT, while a NRTP does not have fixed place of business/residence in India at all.
- ❑ A CTP has to undertake transactions in the course or furtherance of business whereas the business test is absent in the definition of NRTP.

(B) Special registration provisions of casual taxable person and non-resident taxable person

GST law prescribes special procedure for registration, as also for extension of the operation period of such casual or non-resident taxable persons. They have to apply for registration at least 5 days in advance before making any supply. Also, registration is granted to them or period of operation is extended, only after they make advance deposit of the estimated tax liability. The **special registration procedure** pertaining to CTP and NRTP are as follows:

- (A)** Both CTP¹⁹ and NRTP have to compulsorily get registered under GST irrespective of the threshold limit, at least 5 days prior to commencement of business.
- (B)** As per section 25(6), every person must have a PAN to be eligible for registration. Since NRTP will generally not have a PAN of India, he may be granted registration on the basis of other prescribed documents.

¹⁹ Subject to exemption from registration under Notification No. 56/2018 CT dated 23.10.2018

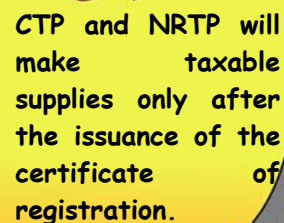
Thus, a NRTP has to submit a self-attested copy of his **valid passport** along with the application signed by his authorized signatory who is an Indian Resident having valid PAN. However, in case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its PAN, if available.

Application will be submitted by NRTP in a different prescribed form whereas CTP will submit the application for registration in the normal form for application for registration i.e. Form GST REG 01 and his registration of CTP will be a PAN based registration.

(C) Period of validity of registration certificate granted to CTP/NRTP

Registration Certificate granted to CTP/NRTP will be valid for:

- (i) Period specified in the registration application, or
- (ii) 90 days from the effective date of registration [can be extended further by a period not exceeding 90 days by making an application before the end of the validity of registration granted to him**]



CTP and NRTP will make taxable supplies only after the issuance of the certificate of registration.

whichever is earlier.

Provisions relating to verification of application and grant of registration [under rules 9 and 10] will apply *mutatis mutandis*, to an application for registration filed by NRTP.

(D) Advance deposit of tax

At the time of submitting the registration application, CTP/NRTP are required to make an **advance deposit of tax** in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought.

Further, CTP/NRTP will get a Temporary Reference Number (TRN) for making an advance deposit of tax which shall be credited to his

electronic cash ledger. An acknowledgement of receipt of application for registration is issued only after said deposit.

***Where extension of time is sought, CTP/NRTP will deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.*

(xi) Deemed registration [Section 26]

Registration under GST is not tax specific, which means that there is single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cesses.

Grant of registration/UIN under any SGST Act/ UTGST Act is deemed to be registration/UIN granted under CGST Act provided application for registration has not been rejected under CGST Act.

Further, rejection of application for registration/UIN under SGST Act/UTGST Act is deemed to be rejection of application for registration under CGST Act.



8. AMENDMENT OF REGISTRATION [SECTION 28]

A registered person may need to make some changes/amendments in the registration application. There are two categories of details in registration application – core and non-core fields.

Core fields are name of the business, (legal name) if there is no change in PAN, addition / deletion of stakeholders, principal place of business (other than change in State) or additional place of business (other than change in State).

All other fields are **non-core fields** like name of day to day functionaries, e-mail ids, mobile numbers, etc.

In case the change is in **core information** in the registration application, the taxable person will apply for amendment within 15 days of the event necessitating the change. The proper officer, then, will approve the amendment within next 15 days.

For other changes – **non-core information**, no approval of the proper officer is required, and the amendment can be affected by the taxable person on his own on the common portal.

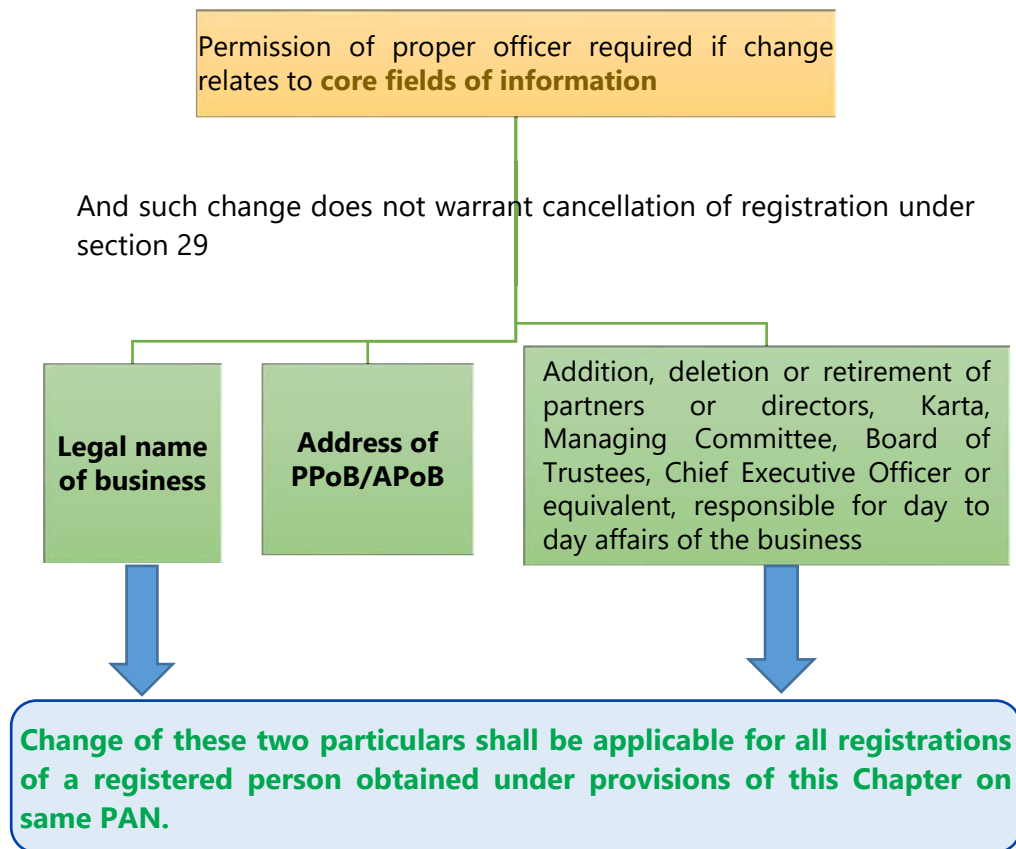
The provisions relating to amendment of registration are contained in section 28 read with rule 19.

The significant aspects of the same are discussed hereunder:

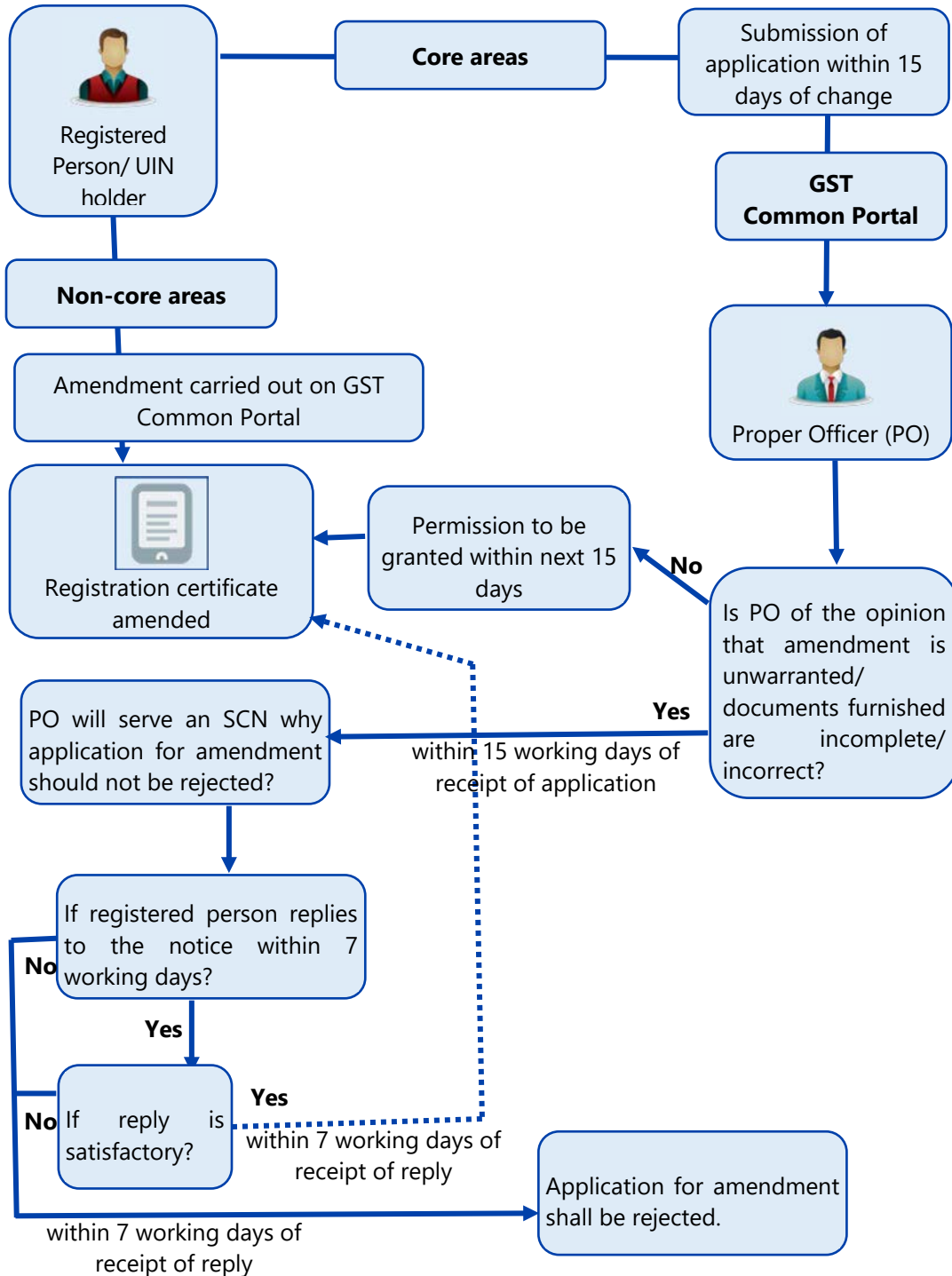
- ❑ Where there is any change in the particulars furnished in registration application/UIN application, registered person shall submit an application in prescribed manner, either at the time of obtaining registration or Unique Identity Number or as amended from time to time, **within 15 days** of such change, along with documents relating to such change at the Common Portal.
- ❑ **In case of amendment of core fields of information**, the proper officer may, on the basis of information furnished or as ascertained by him, approve or reject amendments in the registration particulars in the prescribed manner. Such amendment shall take effect from the date of occurrence of event warranting such amendment.
- ❑ However, **where change relates to non-core fields of information**, registration certificate shall stand amended upon submission of the application for amendment on the Common Portal.
- ❑ The proper officer shall not reject the application for amendment in the registration particulars without giving the person an opportunity of being heard.
- ❑ Any rejection or approval of amendments under the SGST/UTGST Act shall be deemed to be a rejection or approval under the CGST Act.
- ❑ Any particular of the application for registration shall not stand amended with effect from a date earlier than date of submission of application for amendment on common portal except with order of Commissioner for reasons to be recorded in writing and subject to conditions specified by Commissioner in the said order.
- ❑ Application for amendment of registration cannot be filed for change in PAN because GST registration is PAN-based. One needs to make fresh application for registration in case there is change in PAN. Thus, where a change in the constitution of any business results in change of PAN of a registered person, the said person shall apply for fresh registration.

- Similarly, application for amendment of registration form cannot be filled if there is change in place of business from one State to the other because GST registrations are State-specific. If one wishes to relocate his business to another State, he must voluntarily cancel his current registration and apply for a fresh registration in the State he is relocating his business.

Core fields of information



Mobile no./e-mail address of authorised signatory can be amended only after online verification through GST Portal.



If the proper officer fails to take any action,-

- (a) within a period of 15 working days from the date of submission of the application, or
- (b) within a period of 7 working days from the date of the receipt of the reply to the show cause notice,

the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the common portal.



(22) Varun Enterprises, a sole proprietorship firm, is engaged in supply of electrical goods in Delhi. The firm is registered under GST. Varun is the proprietor of the firm. He wishes to expand his business and his friend – Arun - approaches him to provide additional capital for his business if he is made a partner in Varun's business.

Varun agrees and changes the constitution of his business and form a partnership firm – Varun Arun & Co. Since the change in constitution of business from sole proprietorship firm to partnership firm results in change in PAN of the registered person, the partnership firm has to apply for fresh registration. The reason for the same is that GSTIN is PAN based. Any change in PAN would warrant a new registration.



9. CANCELLATION OR SUSPENSION OF REGISTRATION AND REVOCATION OF CANCELLATION [SECTIONS 29 & 30]



STATUTORY PROVISIONS

Section 29	Particulars
Sub-section	Cancellation or suspension of registration
(1)	The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where:

	(a)	<i>the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of</i>
	(b)	<i>there is any change in the constitution of the business</i>
	(c)	<i>the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24</i>
	<i>Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.</i>	
(2)	<i>The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,—</i>	
	(a)	<i>a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed</i>
	(b)	<i>a person paying tax under section 10 has not furnished returns for three consecutive tax periods</i>
	(c)	<i>any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months</i>
	(d)	<i>any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration</i>
	(e)	<i>registration has been obtained by means of fraud, wilful misstatement or suppression of facts</i>
	<i>Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.</i>	

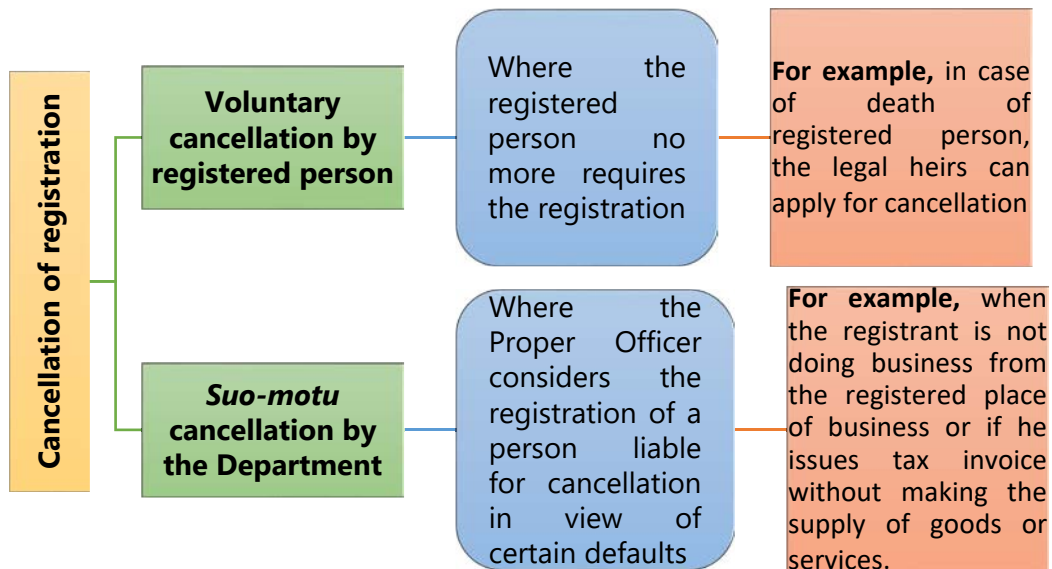
	<i>Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.</i>
(3)	<i>The cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.</i>
(4)	<i>The cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under this Act.</i>
(5)	<p><i>Every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, calculated in such manner as may be prescribed.</i></p> <p><i>Provided that in case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.</i></p>
(6)	<i>The amount payable under sub-section (5) shall be calculated in such manner as may be prescribed.</i>

Section 30	Revocation of cancellation of registration
(1)	<p>Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.</p> <p>Provided that the registered person who was served notice under sub- section (2) of section 29 in the manner as provided in clause (c) or clause (d) of sub-section (1) of section 169 and who could not reply to the said notice, thereby resulting in cancellation of his registration certificate and is hence unable to file application for revocation of cancellation of registration under sub-section (1) of section 30 of the Act, against such order passed up to 31-3-2019, shall be allowed to file application for revocation of cancellation of the registration not later than 22-7-2019.</p>
(2)	<p>The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application.</p> <p>Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.</p>
(3)	<p>The revocation of cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under this Act.</p>



ANALYSIS

The provisions relating to cancellation of registration and its revocation are contained in sections 29 & 30 respectively read with rules 20 to 23. The registration granted under GST can be cancelled for specified reasons. The cancellation can either be initiated by the Department on their own motion or the registered person can apply for cancellation of their registration.



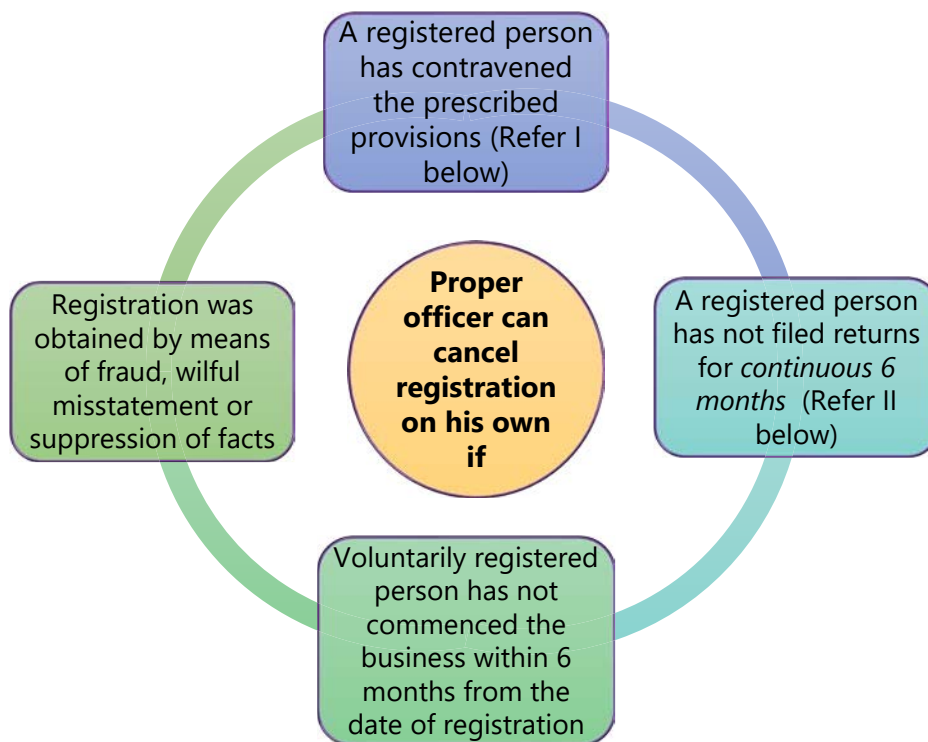
(i) Circumstances where registration is liable to be cancelled [Section 29(1) & (2)]

A. Circumstances when the registration can be cancelled either *suo motu* by proper officer or on an application of the registered person or his legal heirs (in case death of such person)

Cancellation by the registered person on its own or by the Department		
<ul style="list-style-type: none"> --Business discontinued --Transferred fully for any reason <i>including death of the proprietor</i> --Amalgamated with other legal entity --Demerged or --Otherwise disposed of 	Change in the constitution of the business	Taxable person (other than voluntarily registered person) who is no longer liable to be registered under section 22 or section 24.

B. Circumstances when the proper officer can cancel registration on his own

In the following cases, registration can be cancelled by the proper officer from such date, including any retrospective date, as he may deem fit:



- (I) Prescribed contraventions which make a registered person liable to cancellation of registration [Rule 21]: **The registered person-**
 - (a) does not conduct any business from the declared place of business, or
 - (b) issues invoice/bill without supply of goods/services in violation of the provisions of this Act, or the rules made thereunder.
 - (c) violates the provisions of section 171. *Section 171 contains provisions relating to anti-profiteering measure²⁰.*
 - (d) violates the provision of rule 10A (discussed earlier in this chapter).**
- (II) 3 consecutive tax periods in case of a person who opted for composition levy.

²⁰ Anti-profiteering measure shall be discussed at Final Level.

C. Suspension of registration [First proviso to section 29(1) and second proviso to section 29(2) read with rule 21A]

Once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, the proper officer may suspend his registration during pendency of the proceedings relating to cancellation of registration filed. In this way, a taxpayer is freed from the routine compliances, including filing returns, under GST law during the pendency of the proceedings related to cancellation of registration.



The period and manner of suspension of registration is as follows:

1. Where registered person has applied for cancellation of registration: Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from:
 - (a) the date of submission of the application
 - or
 - (b) the date from which the cancellation is sought,whichever is later,
pending the completion of proceedings for cancellation of registration.
2. Where cancellation of the registration has been initiated by the Department on its own motion: Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled, he may, after giving the said person a reasonable opportunity of being heard, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration.
3. A registered person, whose registration has been suspended as above:
 - **shall not make any taxable supply**** during the period of suspension and
 - shall not be required to furnish any return under section 39.

*****The expression "shall not make any taxable supply" shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension.***

4. The suspension of registration shall be deemed to be revoked upon completion of the cancellation proceedings by the proper officer. Such revocation shall be effective from the date on which the suspension had come into effect.
5. Where any order having the effect of revocation of suspension of registration has been passed, the provisions of section 31(3)(a) [revised tax invoices] and section 40 [first return] in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.

(ii) Procedure for cancellation of registration [Rules 20 and 22]

(a) Voluntary cancellation by registered person

Application

- ☐ A registered person seeking cancellation of registration²¹ shall electronically submit the application for cancellation of registration in prescribed form within 30 days of occurrence of the event warranting cancellation.
- ☐ He is required to furnish in the application the details of inputs held in stock or inputs contained in semi-finished/finished goods held in stock and of capital goods **held in stock on the date from which cancellation of registration is sought**, liability thereon, details of the payment, if any, made against such liability and may furnish relevant documents thereof.

Order

- ☐ Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered, proper officer shall issue the order of cancellation of registration within 30 days from the date of submission of application for cancellation.

²¹ under section 29(1)

(b) Suo-motu cancellation by the Department

- ❑ Where the proper officer cancels the registration *suo-motu*, he shall not cancel the same without giving a show cause notice and without giving a reasonable opportunity of being heard, to the registered person. The reply to such show cause notice (SCN) has to be submitted within 7 days of service of notice.
- ❑ If reply to SCN is satisfactory, proper officer shall drop the proceedings and pass an order in prescribed form. However, where the person instead of replying to the SCN served for failure to furnish returns for a continuous period of 6 months (3 months in case of composition scheme supplier)²² furnishes all the pending returns and makes full payment of the tax dues along with applicable interest and late fee, the proper officer shall drop the proceedings and pass an order.

Where registration of a person is liable to be cancelled, proper officer shall issue the order of cancellation of registration within 30 days from the date of reply to SCN.

(c) Effective date of cancellation

- ❑ The cancellation of registration shall be effective from a date to be determined by the proper officer and mentioned in the cancellation order. He will direct the taxable person to pay arrears of any tax, interest or penalty including the amount liable to be paid under section 29(5).

(iii) Amount payable on cancellation of registration [Section 29(5) & (6)]

A registered person whose registration is cancelled will have to debit the electronic credit or cash ledger by **an amount equivalent to:**

- (i) input tax credit (ITC) in respect of:
 - stock of inputs and inputs contained in semi-finished/finished goods' stock or
 - capital goods or plant and machineryon the day immediately preceding the date of cancellation, or
- (ii) the output tax payable on such goods

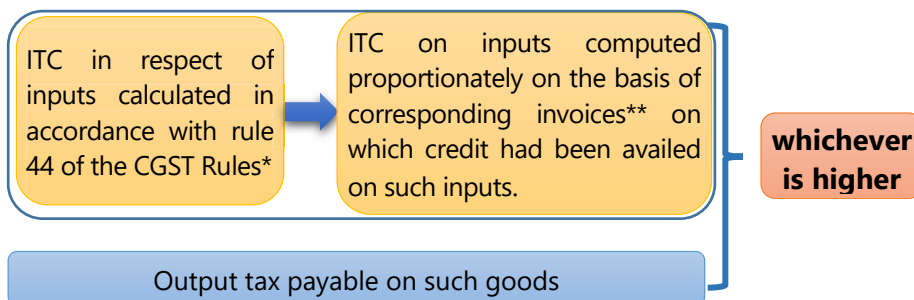
²² viz. contravention of the provisions contained in section 29(2)(b)/(c) of the CGST Act.

whichever is higher, calculated in such manner as may be prescribed.

However, **in case of capital goods or plant and machinery**, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.

The manner of determination of amount of credit to be reversed is prescribed under rule 44. On conjoint reading of section 29(5) and rule 44, it can be inferred as follows:

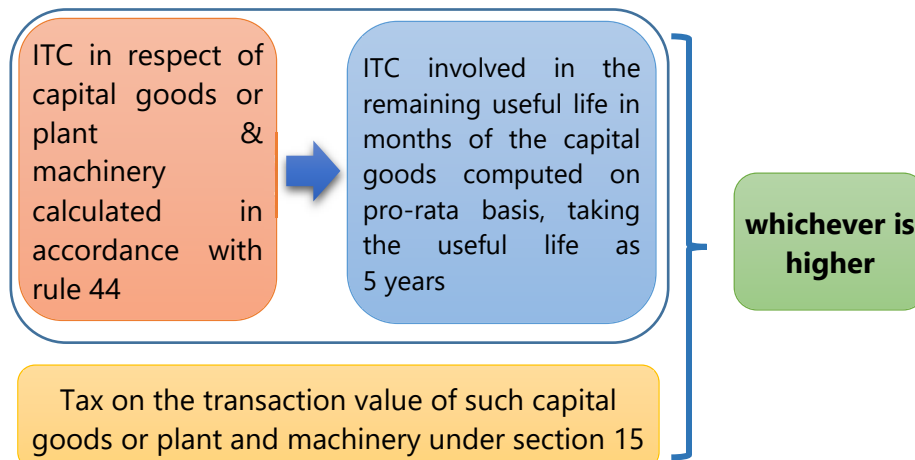
Amount of credit to be reversed in respect of INPUTS:



* Discussed in detail in Chapter-6: Input Tax Credit

**If tax invoices are not available, the ITC to be reversed will be based on the prevailing market price (MP) of such goods on the date of cancellation.

□ Amount of credit to be reversed in respect of CAPITAL GOODS OR PLANT & MACHINERY:





(23) Capital goods have been in use for 4 years, 6 month and 15 days. The useful remaining life in months = 5 months ignoring a part of the month.

ITC taken on such capital goods = C

ITC attributable to remaining useful life = $C \times 5/60$

(iv) Other points about cancellation

- ❑ A person to whom a UIN has been granted under rule 17 cannot apply for cancellation of registration [Rule 20]
- ❑ The cancellation of registration will not affect liability of registered person to pay tax and other dues under the Act for any period prior to the date of cancellation²³ [Section 29(3)].



(24) The proper officer cancelled the registration of Naman Associates on 11th October. The tax dues of Naman Associates for July-September quarter (determined by the proper officer on 16th December) are ` 50,000. The cancellation of registration of Naman Associates shall have no effect on his liability of tax dues of ` 50,000 even though the tax dues are determined after the cancellation of registration.

- ❑ The cancellation of registration under either SGST Act/UTGST Act shall be deemed to be a cancellation of registration under CGST Act [Section 29(4)].
- ❑ Once registration is cancelled by the tax authority, the taxpayer will be intimated about the same via sms and email. Order for cancellation of registration will be issued and intimated to the primary authorized signatory by email and sms.
- ❑ Taxpayer would not be allowed by the Common portal to file return for the period after date of cancellation mentioned in the cancellation order. However, he can submit returns of the earlier period (i.e. for the period before date of cancellation mentioned in the cancellation order for which registration was active).

²³ whether or not such tax and other dues are determined before or after the date of cancellation.

(v) Revocation of cancellation of registration [Section 30 read with rule 23]**(A) Procedure for revocation of cancellation**

- ❑ Where the registration of a person is cancelled *suo-motu* by the proper officer, such registered person may apply for revocation of the cancellation to such proper officer, **within 30 days** from the date of service of the order of cancellation of registration.
- ❑ If the proper officer is satisfied that there are sufficient grounds for revocation of cancellation, he may revoke the cancellation of registration, by an order **within 30 days** of receipt of application and communicate the same to applicant.
- ❑ Otherwise, he may reject the revocation application. However, before rejecting the application, he has to first issue SCN to the applicant who shall furnish the clarification within 7 working days of service of SCN. The proper officer shall dispose the application (accept/reject the same) within 30 days of receipt of clarification.

(B) Where registration was cancelled for failure of registered person to furnish returns

Where registration was cancelled for failure of registered person to furnish returns, before applying for revocation, the person has to make good the defaults, i.e. the person needs to file such returns and pay any amount due as tax along with any amount payable towards interest, penalty and late fee in respect of the said returns. However, the registration may have been cancelled by the proper officer either from the date of order of cancellation of registration or from a retrospective date.

(1) Where the registration has been cancelled with effect from the date of order of cancellation of registration

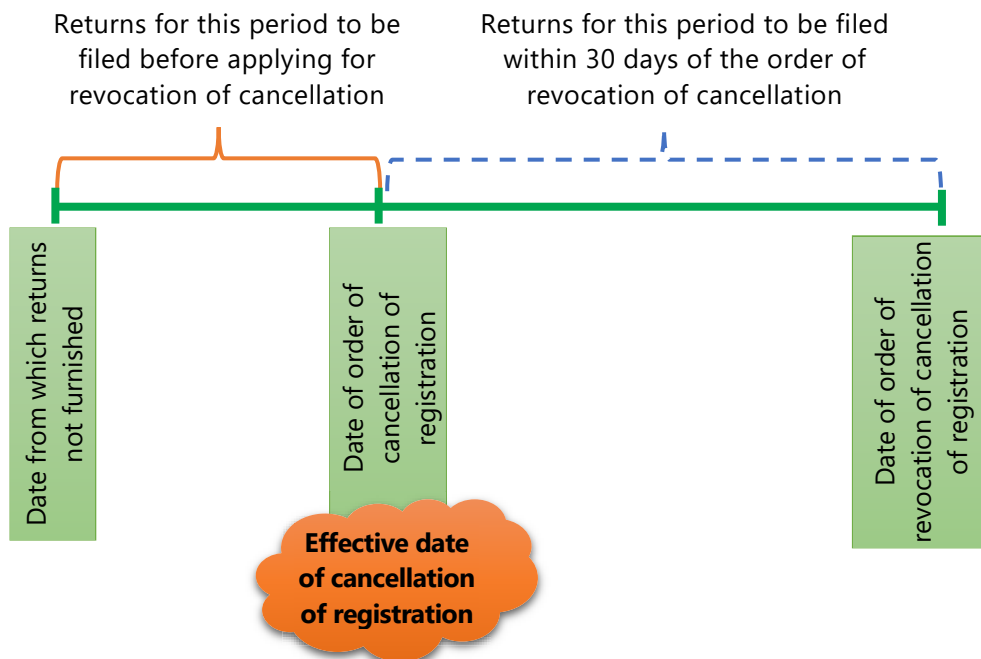
As we have already seen that the common portal does not allow furnishing of returns for the period after the effective date of cancellation, but returns for the earlier period (i.e. for the period before date of cancellation mentioned in the cancellation order) can be furnished after cancellation.

Where the registration is cancelled with effect from the date of order of cancellation of registration, person applying for

revocation of cancellation has to furnish all returns due till the date of such cancellation before the application for revocation can be filed and has to pay any amount due as tax, in terms of such returns along with any amount payable towards interest, penalties or late fee payable in respect of the said returns. However, since the portal does not allow to furnish returns for the period after the date of cancellation of registration, all returns due for the period from the date of order of cancellation till the date of order of revocation of cancellation of registration have to be furnished *within a period of 30 days from the date of the order of revocation*.



(25) The registration of Naman Associates was cancelled by the proper officer by an order dated 1st June for its failure to furnish returns. The registration was cancelled with effect from 1st June itself. It applied for revocation of cancellation of registration and the order for revocation of cancellation of Naman Associates is passed on 31st July. In this case, Naman Associates shall be required to furnish all the returns for the period from 1st June to 31st July within a period of 30 days from 31st July, i.e. by 30th August.



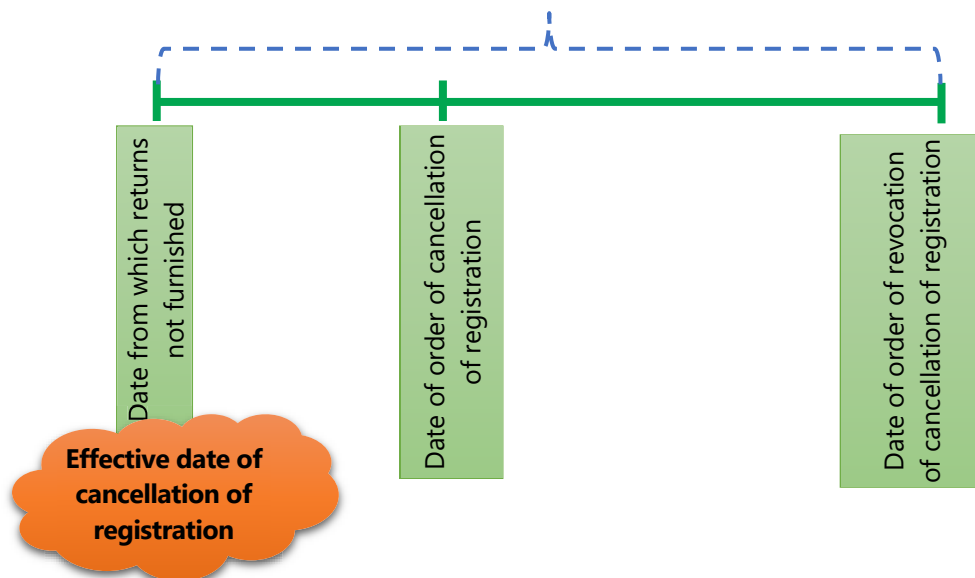
(2) Where the registration has been cancelled with retrospective effect

Where the registration has been cancelled with retrospective effect, it is not possible to furnish the returns before filing the application for revocation of cancellation of registration. In that case, the application for revocation of cancellation of registration is allowed to be filed, subject to the condition that all returns relating to the period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration *shall be filed within a period of 30 days from the date of order of such revocation of cancellation of registration.*



(26) The registration of Naman Associates was cancelled by the proper officer by an order dated 1st June for its failure to furnish returns. The registration was cancelled with effect from 1st January itself. It applied for revocation of cancellation of registration and the order for revocation of cancellation of Naman Associates is passed on 31st July. In this case, Naman Associates shall be required to furnish all the returns for the period from 1st January to 31st July within a period of 30 days from 31st July, i.e. by 30th August.

Returns for this period to be filed within 30 days of the order of revocation of cancellation



Points to be noted

UIN Holders (i.e. UN Bodies, Embassies and Other Notified Persons), GST Practitioner cannot apply for revocation of cancelled registration.



In case the registration is cancelled on the request of the taxpayer or his legal heir, one cannot apply for revocation of cancelled registration.



The revocation of cancellation of registration under the SGST Act/ UTGST Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under CGST Act

**10. LET US RECAPITULATE****1. Nature of registration**

The registration in GST is PAN based and State specific.

One registration per State/UT.

However, a business entity having separate places of business in a State may obtain separate registration for each of its places of business .

GST identification number called "GSTIN" - a 15-digit number and a certificate of registration incorporating therein this GSTIN is made available to the applicant on the GSTN common portal.

Registration under GST is not tax specific, i.e. single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cesses.

2. Persons liable to registration

Those who exceed threshold limit

•Threshold limit elaborated separately in the diagram below.

In case of transfer of business on account of succession, etc.

•**Transferee** liable to be registered from the date of succession of business

In case of amalgamation/demerger by an order of High Court etc.

•**Transferee** liable to be registered from the date on which Registrar of Companies issues incorporation certificate giving effect to order of High Court etc.



Aggregate Turnover will be computed on All-India basis for same PAN

Applicable threshold limit

States with threshold limit of ₹ 10 lakh for both goods and services

•Manipur, Mizoram, Nagaland and Tripura

States with threshold limit of ₹ 20 lakh for both goods and services

•Arunachal Pradesh, Meghalaya, Sikkim, Uttarakhand, Puducherry and Telangana

States with threshold limit of ₹ 20 lakh for services and ₹ 40 lakh for goods (exclusive)

•Jammu and Kashmir, Assam, Himachal Pradesh, All other States

3. Compulsory registration in certain cases

Inter-State supplier	Casual taxable person	Person receiving supplies on which tax is payable by recipient on reverse charge basis
Non-resident taxable persons	A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)	Person/class of persons notified by the Central/State Government

4. Persons not liable for registration

Person engaged exclusively in supplying goods/services/both not liable to tax/wholly exempt from tax	Agriculturist limited to supply of produce out of cultivation of land	Persons making only reverse charge supplies
Persons making inter-State supplies of taxable services up to ₹ 20 lakh**	Persons making inter-State taxable supplies of notified handicraft goods up to ₹ 20 lakh**	
	Casual Taxable Persons making inter-State taxable supplies of notified handicraft goods up to ₹ 20 lakh**	

****₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur & Nagaland**

5. Where and by when to apply for registration?

Person who is liable to be registered under section 22 or section 24

- in every such State/UT in which he is so liable
- within 30 days from the date on which he becomes liable to registration

A casual taxable person or a non-resident taxable person

- in every such State/UT in which he is so liable
- at least 5 days prior to the commencement of business

6. Voluntary Registration and UIN

Voluntary Registration

- Person not liable to be registered under sections 22/24 may get himself registered voluntarily.

Unique Identification Number (UIN)

- In respect of supplies to some notified agencies of United Nations organisation, multinational financial institutions and other organisations, a UIN is issued.

7. Effective date of registration

Application submitted **within 30 days** of the applicant becoming liable to registration

- Effective date is the date on which he becomes liable to registration

Application submitted **after 30 days** of the applicant becoming liable to registration

- Effective date is date of grant of registration

8. Procedure for registration

Procedure for registration has been depicted by way of a diagram as follows:

Part I

Every person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his PAN, mobile number, e-mail address, State/UT in **Part A of FORM GST REG-01** on GST Common Portal.

PAN, mobile number & e-mail address are validated.

PAN validated online by Common Portal from CBDT database

Mobile number and email verified through one-time password sent to it.

Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

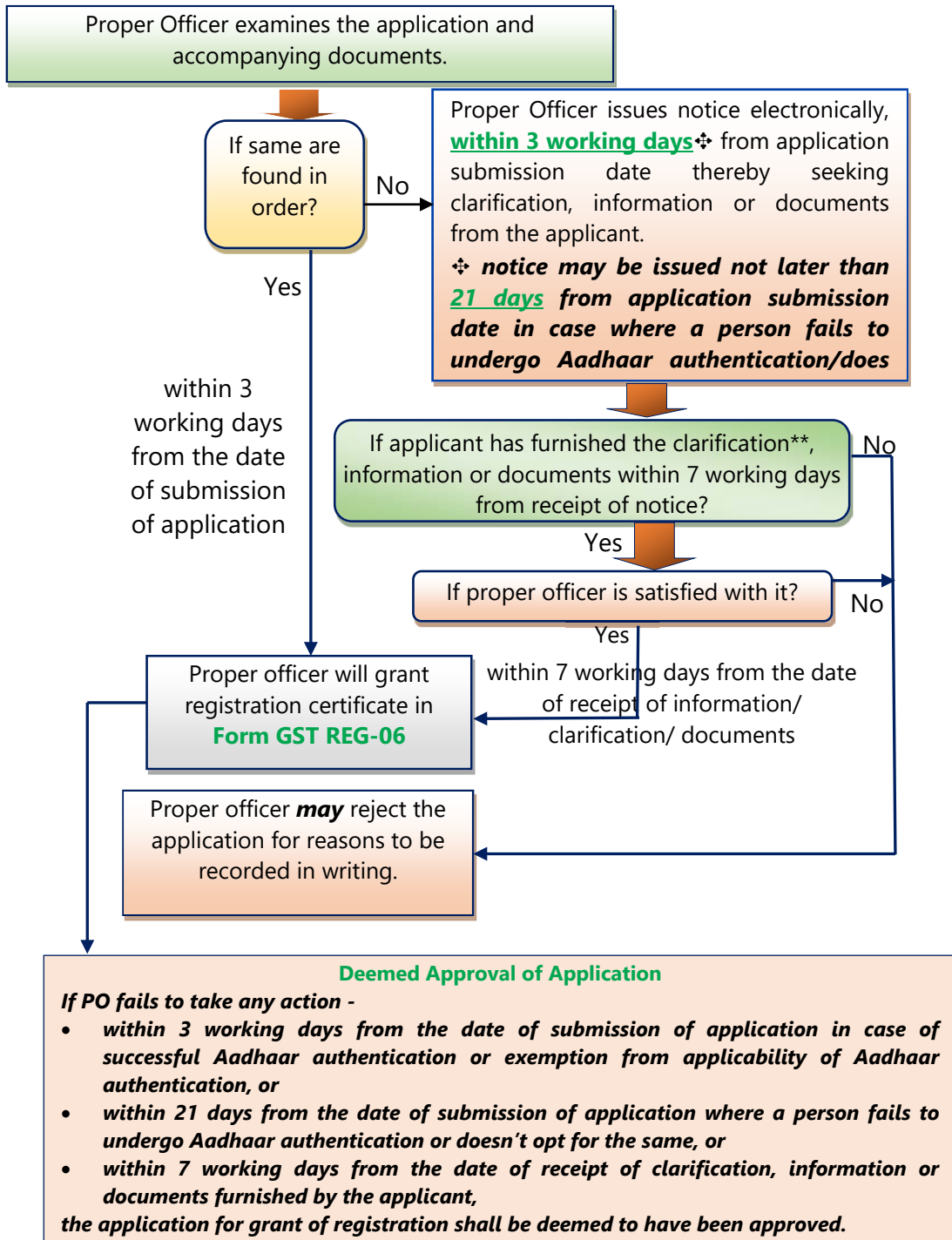
Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal, **after undergoing aadhaar authentication for grant of registration.**

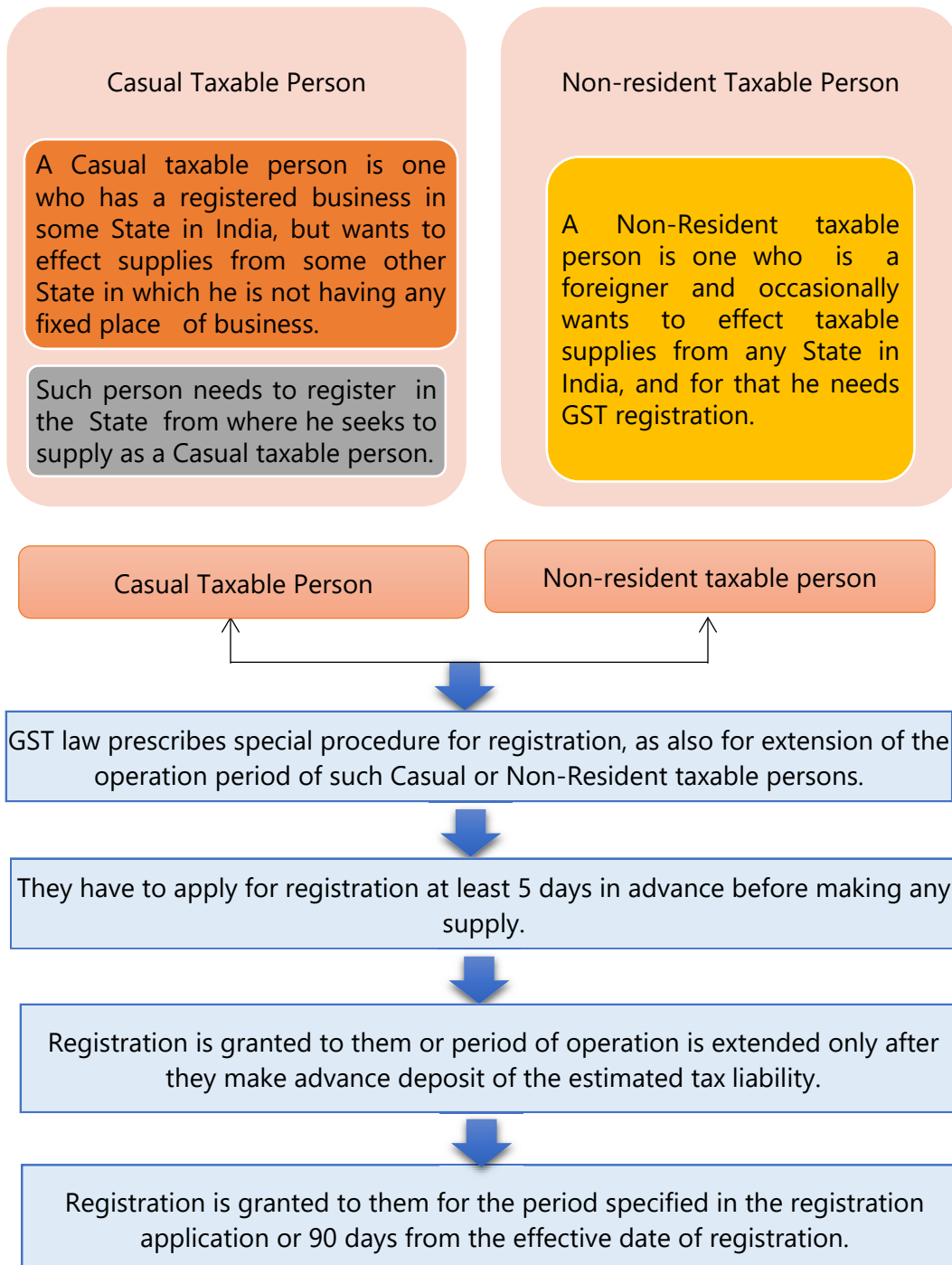
On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A **Causal Taxable Person (CTP)** applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.

Application shall be forwarded to the Proper Officer (PO).

The procedure after receipt of application by PO is depicted in Part II.

Part II



9. Special procedure for registration of CTD and NRTD

10. Amendment of Registration

Except for the changes in some core information in the registration application, a taxable person shall be able to make amendments without requiring any specific approval from the tax authority.

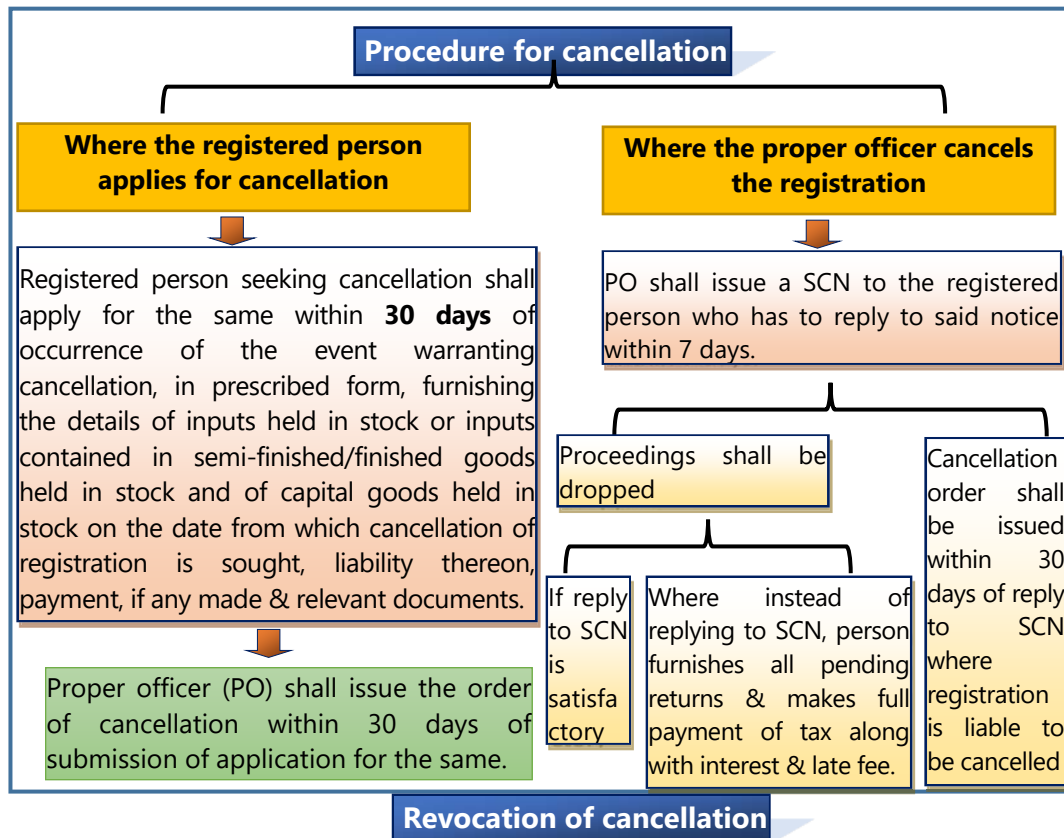
In case there is change in core fields of information, the taxable person will apply for amendment within 15 days of the event necessitating the change. The Proper Officer, then, will approve the amendment within the next 15 days.

For changes in non-core fields, no approval of the Proper Officer is required, and the amendment can be affected by the taxable person on his own on the common portal.

11. Cancellation or suspension of registration and revocation of cancellation of registration

<p>Registration can be cancelled either by proper officer or on application of the registered person</p>	<p>--Business discontinued/ Transferred/ Amalgamated with other legal entity/ Demerged or Otherwise disposed of</p>	<p>Registration can be cancelled by the proper officer or on his own</p>	<p>A registered person has contravened the prescribed provisions</p>
	<p>Change in the constitution of the business</p>		<p>A registered person has not filed returns for <i>continuous 6 months</i> (3 months for composition supplier)</p>
	<p>Taxable person no longer liable to be registered</p>		<p>Voluntarily registered person has not commenced the business within 6 months from the date of registration</p>
			<p>Registration was obtained by means of fraud, wilful misstatement or suppression of facts</p>

Once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, proper officer may suspend his registration during pendency of proceedings relating to cancellation of registration filed by such registered person.



In case where registration is cancelled *suo-motu* by the proper officer, the taxable person can apply within 30 days of service of cancellation order, requesting the officer for revoking the cancellation ordered by him.

However, before so applying, the person has to make good the defaults (by filing all pending returns, making payment of all dues and so) for which the registration was cancelled by the officer.

If satisfied, the proper officer will revoke the cancellation earlier ordered by him.

However, if the officer concludes to reject the request for revocation of cancellation, he will first observe the principle of natural justice by way of issuing notice to the person and hearing him on the issue.



11. TEST YOUR KNOWLEDGE

- Determine the effective date of registration in following cases:
 - The aggregate turnover of Dhampur Footwear Industries of Delhi has exceeded the applicable threshold limit of ₹ 40 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.
 - Mehta Teleservices is an architect in Lucknow. Its aggregate turnover exceeds ₹ 20 lakh on 25th October. It submits the application for registration on 27th November. Registration certificate is granted to it on 5th December.
- In order to be eligible for grant of registration, a person must have a Permanent Account Number issued under the Income- tax Act, 1961. State one exception to it.
- State which of the following suppliers are liable to be registered:
 - Agent supplying taxable goods on behalf of some other taxable person and its aggregate turnover does not exceed the applicable threshold limit during the financial year.
 - An agriculturist who is only engaged in supply of produce out of cultivation of land and its aggregate turnover exceeds the applicable threshold limit during the financial year.
- Pure Oils, Delhi has supplied machine oil and high-speed diesel in the month of April as per the details given in table below. Pure Oils is not yet registered.

Sl. No.	Particulars	Amount (₹)*
(i)	Supply of machine oil in Delhi	15,00,000
(ii)	Supply of high speed diesel in Delhi	10,00,000
(iii)	Supply of machine oil made in Punjab by Pure Oils from its branch located in Punjab	10,00,000

*excluding GST

Determine whether Pure Oils is liable for registration.

- What will be your answer if in question 8 above, in S.No. (ii), Pure Oils supplies the high speed diesel in Delhi in the capacity of an agent of Mixed Oils Ltd.?

6. *Examine whether the supplier of goods is liable to get registered in the following independent cases:-*
- (i) *Raghav of Assam is exclusively engaged in intra-State taxable supply of readymade garments. His turnover in the current financial year (FY) from Assam showroom is ₹ 33 lakh. He has another showroom in Tripura with a turnover of ₹ 11 lakh in the current FY.*
 - (ii) *Pulkit of Panjim, Goa is exclusively engaged in intra-State taxable supply of shoes. His aggregate turnover in the current financial year is ₹ 22 lakh.*
 - (iii) *Harshit of Himachal Pradesh is exclusively engaged in intra-State supply of pan masala. His aggregate turnover in the current financial year is ₹ 24 lakh.*
7. *Examine whether the supplier is liable to get registered in the following independent cases:-*
- (i) *Ankit of Assam is exclusively engaged in intra-State supply of taxable services. His aggregate turnover in the current financial year is ₹ 25 lakh.*
 - (ii) *Sanchit of Assam is engaged in intra-State supply of both taxable goods and services. His aggregate turnover in the current financial year is ₹ 30 lakh.*
8. *What are the advantage of taking registration in GST?*
9. *Can a person without GST registration collect GST and claim ITC?*
10. *If a person is making taxable supplies from different States, with the same PAN number, can he operate with a single registration?*
11. *Can a person having multiple places of business in a State obtain separate registrations for each place of business?*
12. *Is there a provision for a person to get himself voluntarily registered though he may not be liable to pay GST?*
13. *Can the Department, through the proper officer, suo-moto proceed to register a person under GST?*
14. *Whether the registration granted to any person is permanent?*
15. *Is it necessary for the UN bodies to get registration under GST?*

16. *What is the responsibility of the taxable person making supplies to UN bodies?*
17. *What is the validity period of the registration certificate issued to a casual taxable person and non- resident taxable person?*
18. *What happens when the registration is obtained by means of willful mis-statement, fraud or suppression of facts?*
19. *Is there an option to take centralized registration for services under GST Law?*
20. *What could be the liabilities (in so far as registration is concerned) on transfer of a business?*
21. *At the time of registration, will the assessee have to declare all his places of business?*
22. *Does cancellation of registration impose any tax obligations on the person whose registration is so cancelled?*



12. ANSWERS/HINTS

1. (a) Every supplier becomes liable to registration if his turnover exceeds the applicable threshold limit [₹ 40 lakh in this case] in a financial year [Section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*]. Since in the given case, the turnover of Dhampur Industries exceeded ₹ 40 lakh on 1st September, it becomes liable to registration on said date.

Further, since the application for registration has been submitted within 30 days from such date, the registration shall be effective from the date on which the person becomes liable to registration [Section 25 read with rule 10]. Therefore, the effective date of registration is 1st September.

- (b) Since in the given case, the turnover of Mehta Teleservices exceeds the applicable threshold limit [₹ 20 lakh] on 25th October, it becomes liable to registration on said date.

Further, since the application for registration has been submitted after 30 days from the date such person becomes liable to registration, the registration shall be effective from the date of grant of registration. Therefore, the effective date of registration is 5th December.

2. A Permanent Account Number is mandatory to be eligible for grant of registration. One exception to this is a non-resident taxable person. A non-resident taxable person may be granted registration on the basis of other prescribed documents instead of PAN. He has to submit a self-attested copy of his valid passport along with the application signed by his authorized signatory who is an Indian Resident having valid PAN and application will be submitted in a different prescribed form [Section 25(6) & (7)].
3.
 - (a) Section 22 stipulates that every supplier becomes liable to registration if his turnover exceeds the applicable threshold limit in a financial year. However, as per section 24, a person making taxable supply of goods/services or both on behalf of other taxable persons whether as an agent or not is liable to be compulsorily registered even if its aggregate turnover does not exceed the applicable threshold limit during the financial year.
 - (b) As per section 23, an agriculturist who is only engaged in supply of produce out of cultivation of land is not required to obtain registration even if his turnover exceeded the applicable threshold limit for registration.
4. As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-
 - (a) ₹ 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.
 - (b) ₹ 20 lakh for the States, namely, States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
 - (c) ₹ 40 lakh for rest of India except persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-

- (a) ₹ 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.
- (b) ₹ 20 lakh for the rest of India.

As per section 2(6), aggregate turnover includes the aggregate value of:

- (i) all taxable supplies,
- (ii) all exempt supplies,
- (iii) exports of goods and/or services and
- (iv) all inter-State supplies of persons having the same PAN.

The above is computed on all India basis. Further, the aggregate turnover excludes central tax, State tax, Union territory tax, integrated tax and cess. Moreover, the value of inward supplies on which tax is payable under reverse charge is not taken into account for calculation of 'aggregate turnover'.

Section 9(2) provides that CGST is not leviable on five petroleum products i.e. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel. As per section 2(47), exempt supply includes non-taxable supply. Thus, supply of high speed diesel in Delhi, being a non-taxable supply, is an exempt supply and is, therefore, includible while computing the aggregate turnover.

In the backdrop of the above-mentioned discussion, the aggregate turnover of Pure Oils for the month of April is computed as under:

S. No.	Particulars	Amount (in ₹)
(i)	Supply of machine oils in Delhi	15,00,000
(ii)	Add: Supply of high speed diesel in Delhi	10,00,000
(iii)	Add: Supply of machine oil made by Pure Oils from its branch located in Punjab	<u>10,00,000</u>
	Aggregate Turnover	35,00,000

Pure Oils is making exclusive supply of goods and hence the threshold limit for registration would be ₹ 40,00,000. Since the aggregate turnover does not exceed ₹ 40,00,000, Pure Oils is not liable to be registered.

5. In case Pure Oils makes the supply in capacity of an agent of Mixed Oils Ltd.:

Section 24 provides that an agent who is engaged in making taxable supplying of goods on behalf of other taxable persons, shall be liable to

obtain registration irrespective of the threshold turnover limit. However, in the present case, if Pure Oils supply high speed diesel on behalf of Mixed Oil Ltd. in Delhi as its agent, it shall still not be liable to obtain registration in Delhi since section 24 comes into play only when agent is making taxable supply of goods on behalf of principal whereas in the given case, Pure Oils is supplying non-taxable goods on behalf of Mixed Oils Ltd.

6. As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-
- (a) ₹ 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.
 - (b) ₹ 20 lakh for the States, namely, States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
 - (c) ₹ 40 lakh for rest of India except persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.

In the light of the afore-mentioned provisions, the answer to the independent cases is as under:-

- (i) Raghav is eligible for higher threshold limit of turnover for registration, i.e. ₹ 40 lakh as he is exclusively engaged in intra-State supply of goods. However, since Raghav is engaged in supplying readymade garments from a Special Category State i.e. Tripura, the threshold limit gets reduced to ₹ 10 lakh. Thus, Raghav is liable to get registered under GST as his turnover exceeds ₹10 lakh. Further, he is required to obtain registration in both Assam and Tripura as he is making taxable supplies from both the States.
- (ii) The applicable threshold limit for registration for Pulkit in the given case is ₹ 40 lakh as he is exclusively engaged in intra-State taxable supply of goods in Goa. Thus, he is not liable to get registered under GST as his turnover is less than the threshold limit.
- (iii) Harshit being exclusively engaged in supply of pan masala is not eligible for higher threshold limit of ₹40 lakh. The applicable threshold limit for registration in this case is ₹20 lakh. Thus, Harshit is liable to get registered under GST.

7. As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-
- (a) ₹ 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.
 - (b) ₹ 20 lakh for the rest of India.
 - (i) Though Ankit is dealing in Assam, he is not entitled for higher threshold limit for registration as the same is applicable only in case of exclusively supply of goods and he is exclusively engaged in providing services. Thus, the applicable threshold limit for registration in this case is ₹ 20 lakh and hence, Ankit is liable to get registered under GST.
 - (ii) Since Sanchit is engaged in supply of both taxable goods and services, the applicable threshold limit for registration in his case is ₹ 20 lakh. Thus, Sanchit is liable to get registered under GST as his turnover is more than the threshold limit.
8. Registration will confer following advantages to the business:
- ☐ Legally recognized as supplier of goods or services.
 - ☐ Proper accounting of taxes paid on the input goods or services which can be utilized for payment of GST due on supply of goods or services or both by the business.
 - ☐ Legally authorized to collect tax from his purchasers and pass on the credit of the taxes paid on the goods or services supplied to purchasers or recipients.
 - ☐ Become eligible to avail various other benefits and privileges rendered under the GST laws.
9. No, a person without GST registration can neither collect GST from his customers nor can claim any input tax credit of GST paid by him.
10. No. Every person who is liable to take a registration will have to get registered separately for each of the States where he has a business operation (and making taxable supplies) provided his aggregate turnover exceeds applicable threshold limit.

11. Yes. In terms of the proviso to sub-section (2) of section 25, a person having multiple places of business in a State may obtain a separate registration for each place of business, subject to such conditions as may be prescribed.
12. Yes. In terms of sub-section (3) of section 25, a person, though not liable to be registered under sections 22 or 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered taxable person, shall apply to such person.
13. Yes. In terms of sub-section (8) of section 25, where a person who is liable to be registered under GST law fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under CGST Act, or under any other law for the time being in force, proceed to register such person in the manner as is prescribed in the CGST Rules.
14. Yes, the registration certificate once granted is permanent unless surrendered, cancelled, suspended or revoked.
15. In terms of section 25(9) of the CGST Act, all notified UN bodies, Consulate or Embassy of foreign countries and any other class of persons so notified would be required to obtain a unique identification number (UIN) from the GST portal.

The structure of the said ID would be uniform across the States in conformity with GSTIN structure and the same will be common for the Centre and the States. This UIN will be needed for claiming refund of taxes paid on notified supplies of goods and services received by them, and for any other purpose as may be notified.

16. The taxable supplier making supplies to UN bodies is expected to mention the UIN on the invoices and treat such supplies as supplies to another registered person (B2B).
17. In terms of section 27(1) read with proviso thereto, the certificate of registration issued to a "casual taxable person" or a "non-resident taxable person" shall be valid for a period specified in the application for registration or 90 days from the effective date of registration, whichever is earlier. However, the proper officer, at the request of the said taxable person, may extend the validity of the aforesaid period of 90 days by a further period not exceeding 90 days.
18. In such cases, the registration may be cancelled with retrospective effect by the proper officer [Section 29(2)(e)].

19. No, the tax payer has to take separate registration in every State from where he makes taxable supply of services.
20. The transferee or the successor shall be liable to be registered with effect from such transfer or succession and he will have to obtain a fresh registration with effect from the date of such transfer or succession [Section 22(3)].
21. Yes. The principal place of business and place of business have been separately defined under section 2(89) & 2(85) of the CGST Act respectively. The taxpayer will have to declare the principal place of business as well as the details of additional places of business in the registration form.
22. Yes, as per section 29(5) of the CGST Act, every registered taxable person whose registration is cancelled shall pay an amount, by way of debit in the electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher.

AMENDMENTS MADE VIDE THE FINANCE (NO. 2) ACT, 2020

The Finance Act, 2020 has become effective from 27.03.2020. However, most of the amendments made in the CGST Act and IGST Act vide the Finance Act, 2020 would become effective only from a date to be notified by the Central Government in the Official Gazette. Such a notification has not been issued till the time this Study Material is being released for printing. Therefore, the applicability or otherwise of such amendments for May 2021 and/or November 2021 examinations shall be announced by the ICAI only after such notification is issued by the Central Government.

In the table given below, the existing provisions²⁴ relating to sections 29 and 30 are compared with the provisions as amended by the Finance Act, 2020.

Once the announcement for applicability of such amendments for examination(s) is made by the ICAI, students should read the provisions given hereunder in place of the related provisions discussed in the Chapter.

Existing provisions	Provisions as amended by the Finance Act, 2020	Remarks
<p>Section 29(1)</p> <p>"The proper officer may, either on his own motionwhere:</p> <p>(c) the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24."</p>	<p>Section 29(1)</p> <p>"The proper officer may, either on his own motionwhere:</p> <p>(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to optout of the registration voluntarily made under sub-section (3) of section 25."</p>	<p>Section 29(1)(c) is being amended to enable the proper officer to cancel the registration of a person who has taken voluntary registration under section 25(3) and wants to optout from the registration so taken.</p>

²⁴ Provisions existing as on the date when the Study Material was released for printing

Section 30(1)

Subject to such conditionscancellation order.

Provided that the registered person who was served notice under sub-section (2) of section 29 in the manner as provided in clause (c) or clause (d) of sub-section (1) of section 169 and who could not reply to the said notice, thereby resulting in cancellation of his registration certificate and is hence unable to file application for revocation of cancellation of registration under sub-section (1) of section 30 of the Act, against such order passed up to 31-3-2019, shall be allowed to file application for revocation of cancellation of the registration not later than 22-7-2019.

Section 30(1)

Subject to such conditionscancellation order.

Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;
(b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a)."

Proviso to section 30(1) is being substituted so as to empower the jurisdictional tax authorities to extend the period provided to file an application for revocation of cancellation of registration.