

Chapter 16: Registration under GST

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16.0 Registration is the most fundamental requirement for identification of taxpayers ensuring tax compliance in the economy. Without registration, a person can neither collect tax from his customers nor claim any input Tax Credit of tax paid by him.

Registration of any business entity under the GST Law implies obtaining a unique number from the concerned tax authorities for the purpose of collecting tax on behalf of the government and to avail Input Tax Credit for the taxes on his inward supplies.

16.0.1 Advantages of registration

The following are advantages to a taxpayer who obtain registration under GST:

- (i) He is legally recognized as supplier of goods or services or both.
- (ii) He is legally authorized 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.
- (iii) He can claim Input Tax Credit of taxes paid and can utilize the same for payment of taxes due on supply of goods or services.
- (iv) Seamless flow of Input Tax Credit from suppliers to recipients at the national level.
- (v) Registered person is eligible to apply for Government bids or contracts or assignments.
- (vi) Registered person under GST can easily gain trust from customers.

16.1 One Registration for One State

Exception:

- (i) Multiple registrations permitted for separate business vertical.
- (ii) One as an input service distributor and other for outward supply

Example: Apple manufactures computers, tablets, phones, headphones, music players and more. Management at Apple can divide the overall company performance into smaller segments based on these products to measure where the company is succeeding.

Note: It is similar to AS 17 Business Segments



Impact: Business verticals omitted.

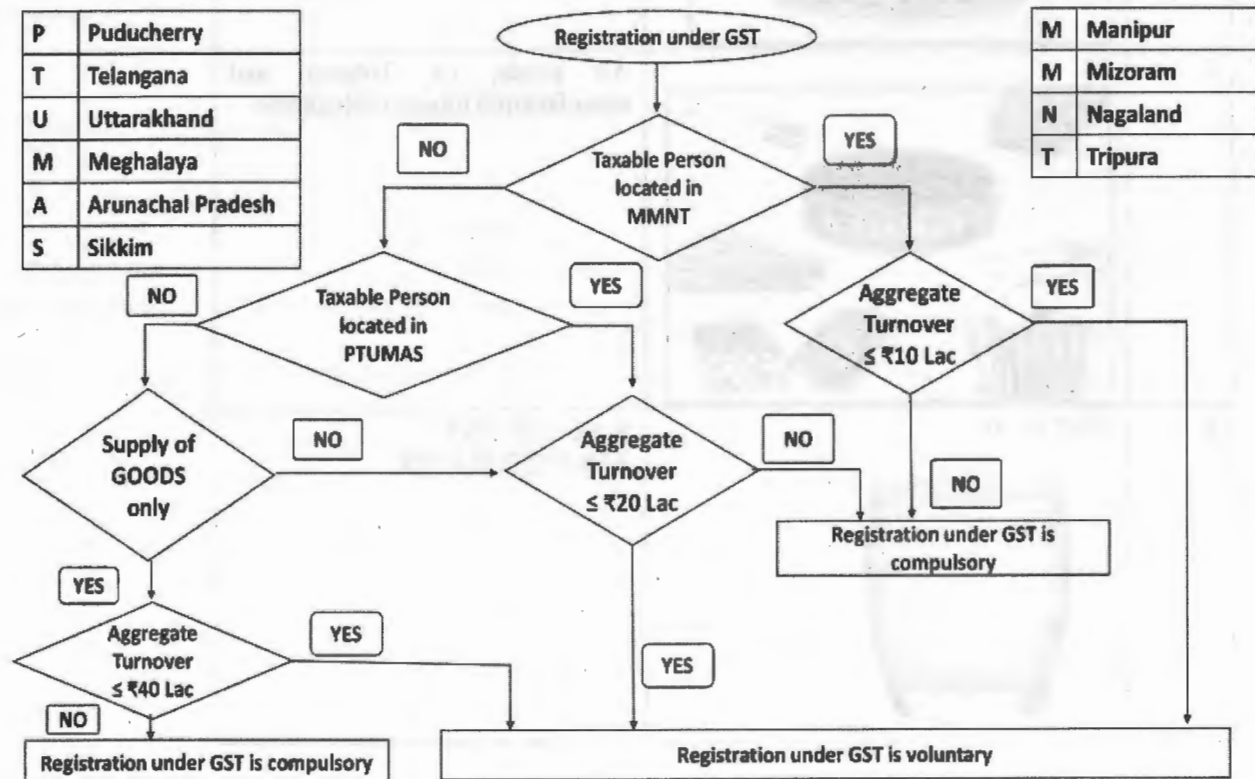
16.2 Registration under GST

Section 22(1) of the CGST Act, 2017:

Registration is mandatory if aggregate turnover exceeds threshold limit.

16.3 Exemption from obtaining registration w.e.f April 1, 2019:





Sr. No.	States	w.e.f 1 April 2019 (Notification No. 10/2019- Central Tax)
FOR SUPPLIER ENGAGED EXCLUSIVELY IN "SUPPLY OF GOODS"		
1	Manipur, Mizoram, Nagaland, Tripura	₹10 Lakh
2	Uttarakhand, Meghalaya, Sikkim, Arunachal Pradesh, Puducherry, Telangana	₹20 Lakh
3	Rest States of India	₹40 Lakh
FOR SUPPLIER ENGAGED IN "SUPPLY OF SERVICES" OR BOTH "GOODS AND SERVICES"		
1	Manipur, Mizoram, Nagaland, Tripura	₹10 Lakh
2	Rest States of India	₹20 Lakh







For the purpose of Section 22(1) of CGST Act, 2017 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.

Any person engaged in exclusive supply of goods and whose turnover in the financial year does not exceeds ₹40 Lakh exempted from registration. Exceptions to this exemption are as follows:

- (a) persons required to take compulsory registration under section 24 of the CGST Act, 2017
 (b) persons exclusively engaged in making supplies of following goods namely: -

S. No.	Tariff item, sub-heading, or heading or Chapter	Description
1	2105 00 00 	Ice cream and other edible ice, whether or not containing cocoa.
2	2106 90 20 	Pan masala
3	24 	All goods, i.e. Tobacco and manufactured tobacco substitutes
4	2202 10 10 	w.e.f. 1-10-2019 AERATED WATER

S. No.	Tariff item, sub-heading, or heading or Chapter	Description
5	6815 	w.e.f. 1-4-2022 NT No. 14/2019 dated 7.3.2019 Fly ash bricks or fly ash aggregate with 90% or fly ash content; Fly ash blocks
6	6901 00 10 	w.e.f. 1-4-2022 NT No. 14/2019 dated 7.3.2019 Bricks of fossil meals or similar siliceous earths
7	6904 10 00 	w.e.f. 1-4-2022 NT No. 14/2019 dated 7.3.2019 Building Bricks
8	6905 10 00 	w.e.f. 1-4-2022 NT No. 14/2019 dated 7.3.2019 Earthen or roofing tiles

Note: Persons exclusively engaged above goods threshold limit is ₹20 lakh or ₹10 lakh as the case may be.

w.e.f. 1-2-2019, Exemption from Registration not applicable to specified Job workers:

The Central Government vide *Notification No. 02/2019-IT, dated 29th January 2019* has provided that the job workers who are involved in making supply of services in relation to Live poultry i.e fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls are compulsorily required to take registration.

Further, it is also provided that **job workers** who are involved in making supply of services in relation to Jewellery, goldsmiths' and silversmiths' wares and other articles are eligible for exemption from registration where such job workers engaged in **making inter-State supply of services** to a registered person.

16.3.1 Advantages of voluntary registration under GST:

- Legally recognized as supplier of goods or services; this helps in attracting more customers.
- Provide input tax credit to customers. As they can issue taxable invoices, they can collect GST. Their customers can take input credit on their purchases.
- They will be more competitive than other small business as buying from them will ensure input credit.
- Voluntarily registered persons can take input credit on their own purchases and input services like legal fees, consultation fees etc.
- They can make inter-state sales without many restrictions.

16.4 Aggregate turnover in a Financial Year [Section 2(6) of CGST]

Aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-state supplies of person having the same PAN, to be computed on all India basis but excludes Central Tax, State Tax, Union Territory Tax, integrated tax and Cess.

Aggregate turnover includes	Aggregate turnover excludes
The value of exported goods/services	Inward supplies on which the recipient is required to pay tax under Reverse Charge Mechanism (RCM).
Exempted goods/services or both which attracts nil rate of tax or wholly exempt from tax and includes non-taxable supply.	<ul style="list-style-type: none"> Central tax (CGST), State tax (SGST), Union territory tax and Integrated tax (IGST)

Aggregate turnover includes	Aggregate turnover excludes
Inter-State supplies between distinct persons having same PAN	• Compensation Cess
Supply on own account and on behalf of principal.	Goods sent by job-work

Important points:

- The turnover will be computed PAN wise.
- The partner and partnership firm will have different PAN Nos. Thus, the turnover of the partner and partnership firm will not be aggregated.
- The HUF and individual coparcener of the family have different PAN Nos. Hence, turnover of Karta of HUF in his individual capacity and turnover of Karta as a Karta of HUF will not be aggregated.
- Supply of goods, after completion of jobwork, by a registered jobworker shall be treated as the supply of goods by the principal referred to in section 143 of the CGST Act, 2017, and the value of such goods shall not be included in the aggregate turnover of the registered jobworker. It will be included in the turnover of turnover of principal.



Example 1: Mr. J has been involved in supplying taxable material in J&K, since, 1st July 2017. His turnover in the month of Nov 2017 exceeded the limit of ₹20 lacs. Mr. J is required to register under GST law?

Answer: Taxable turnover exceeds ₹20 lacs, and then the supplier shall apply for registration in the month of Nov 2017. Therefore, Mr. J is required to register under GST law.

Example 2: Mr. C of Calicut is trading on his own goods and also acting as an agent of Mr. B of Bengaluru. Mr. C turnover in the financial year 2017-18 is ₹12 lacs in his own account and ₹9 lacs on behalf of principal. Whether Mr. C is liable to register compulsorily under GST law.

Answer: As per explanation 1 in computing the total turnover, both the value of supply on his own account that is ₹12 lacs and on behalf of principal ₹9 lacs will be aggregated. Hence, the aggregate turnover will be ₹21 lacs. Mr. C is liable to register compulsorily under the GST law.

Example 3: Mr. Rajan is a farmer with an annual turnover in relation to agriculture of ₹18,00,000 lakh. Since this income is agriculture-related, the turnover is exempt from GST. However, Mr. Rajan also supplies plastic bags worth of ₹2,50,000 (taxable goods) along with his crop and charges separately for this. Mr. Rajan is required to register under GST? Advise.

Answer: Mr. Rajan is required to register under GST because his **aggregate turnover** exceeds the threshold limit of ₹20 lakh.

Example 4:

Mr. X a dealer dealing with Intra State supply of goods and services has place of business in India furnished the following information in the financial year 2017-18:

1. Sale of taxable goods by Head Office located in Chennai for ₹1,00,000
2. Supply of taxable services by Branch office at Bengaluru for ₹50,000
3. Supply of goods exempted from GST ₹10,000
4. Supply of exempted services for ₹2,00,000
5. Sale of goods acting as agent on behalf of principal for ₹15,00,000

Answer: Statement showing aggregate turnover in a Financial Year	
Particulars	Value in ₹
Sale of taxable goods by Head Office located in Chennai	1,00,000
Supply of taxable services by Branch office at Bengaluru	50,000
Supply of goods exempted from GST	10,000
Supply of exempted services	2,00,000
Sale of goods acting as agent on behalf of principal	15,00,000
Aggregate turnover	18,60,000
Since, aggregate turnover does not exceed ₹20 lakhs, Mr. X is not required to register under GST. However, registration is mandatory as per section 24(vii) of CGST Act, 2017, since, he is acting as an agent where he under taken to supply of Goods. <i>Note:</i> It is assumed that principal is taxable person.	

Example 5: Examine whether he the supplier is liable to get registered in the following independent cases:

- (i) Shiva of Himachal Pradesh is exclusively engaged in intra-State supply of pan masala. His aggregate turnover in the current financial year is ₹24 lakh.
- (ii) Shankar of Assam is exclusively engaged in the intra-State supply of readymade garments. His turnover in the current financial year from Assam showroom is ₹28 lakh. He has another showroom in Tripura with a turnover of ₹11 lakh in the current financial year.
- (iii) Ayaan of Tamil Nadu is engaged in intra-State supply of both taxable goods and services. His aggregate turnover in the current financial year is ₹30 lakh.

Answer:

(i) Shiva 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, Shiva is liable to get registered under GST.

(ii) Turnover in the State of Assam = ₹28 lakh

Add: turnover in the State of Tripura = ₹11 lakh

Aggregate Turnover = ₹39 lakh

Shankar is engaged in supplying readymade garments from a special category state i.e. Tripura, the threshold limit gets reduced to ₹10 lakh. Thus, Shankar 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.

(iii) Since Ayaan is engaged in supply of both taxable goods and services, the applicable limit for registration is ₹20 lakh. Thus, Ayaan is liable to get registration under GST as his turnover is more than the threshold limit.

Case Law:

Pankajbhai Champaklal Parekh v Commr. of S.T. Ahmedabad 2013 (31) STR 325 (Tri-Ahmd.)

Decision: CESTAT has held that in case a premises jointly owned by two or more person (i.e. two or more co-owners) is given on rent to a single person and cheques for rent are received individually by all the co-owner(s), then in such case all the co-owners be considered as provider of Renting of immovable property service individually.

This being so, threshold limit (now under GST Law ₹20 lacs or ₹10 lacs as the case may be) for calculating exemption from registration will also applicable to individual co-owner rather than collectively to all the co-owner(s).

Note: This case law is valid under the GST Law also.

16.5 Registration effective w.e.f. 1st July 2017 under GST

Section 22(2): Every person who, on the day immediately preceding, the appointed day, is registered or holds a licence under an existing law shall be liable to be registered under this Act with effect from the appointed day.

16.6 Registration under GST in case of transfer of going concern

Section 22(3): 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 they may be, shall be liable to be registered w.e.f. the date of such transfer or succession.

16.7 Registration under GST in case of amalgamation or demerger

Section 22(4): in 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 High Court, Tribunal or otherwise, the transferee should be liable to be registered, w.e.f. the date on which the Registrar of Companies issues a **certificate of incorporation** giving effect to such order of the High Court or Tribunal.

16.8 Persons are not liable for registration

- (i) **Section 23(1)(a):** Any person engaged exclusively in the business of supplying of goods or services or both they are not liable to tax or wholly exempt from tax under CGST or IGST.
- (ii) **Section 23(1)(b):** An agriculturist, to the extent of supply of produce out of cultivation of land.
- (iii) **Section 23(2):** The Government may, on the recommendation of the GST Council.

Valid date the following statement

Mr. Rajan is a farmer with an annual turnover in relation to agriculture of ₹28,00,000 lakhs in the State of Panjab. Since this income is agriculture-related, the turnover is exempt from GST.

Answer: the given state is valid.

As per section 23(1)(b) of the CGST Act, 2017, An agriculturist, to the extent of supply of produce out of cultivation of land is not required to register.

Therefore, Mr. Rajan is not required to register under GST.

16.9 Compulsory registration in certain cases

Section 24: the following categories of persons shall be required to be registered under GST:

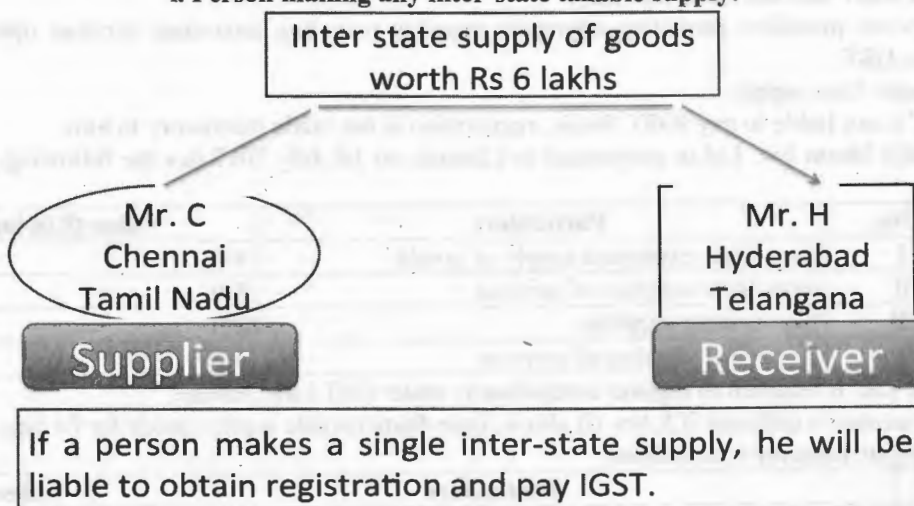
- (i) Person making any inter-state taxable supply;
- (ii) Causal taxable persons making taxable supply;
- (iii) Person who are required to pay tax under reverse charge;
- (iv) Person who are required to pay tax under section 9(5) of CGST (i.e. Electronic Commerce Operator);
- (v) Non-resident taxable person making taxable supply;
- (vi) Persons who are required to deduct tax under section 51, whether or not separately registered under this Act;
- (vii) Persons who make taxable supply of goods or services or both on behalf of other taxable person whether as an agent or otherwise;
- (viii) Input Service Distributor, whether or not separately registered under CGST;
- (ix) Persons who supply of goods or services or both, other than supplies specified under section 9(5), through such electronic commerce operator who is required to collect tax at source under section 52;
- (x) Every electronic commerce operator "**who is required to collect tax at source under section 52**" shall be inserted as per the Finance Act, 2018 w.e.f. 1-2-2019.;
- (xi) Every person supplying online information and database access or retrieval services from place outside India to a person in India, other than a registered person; and
- (xii) Such other person or class of persons as may be notified by the Govt. on the recommendation of the Council.

Handicraft goods supplier below the annual threshold limit of ₹20 lakh, engaged in inter-State taxable supplies exempted from Registration (Notification No. 3/2018 IT, dated 22/10/2018).

However, such persons making inter-State taxable supplies mentioned in above shall be required to obtain PAN and generate an e-way bill in accordance with the provisions of Rule 138 of the CGST Rules, 2017.

16.9.1(i) Person making any inter State taxable supplies;

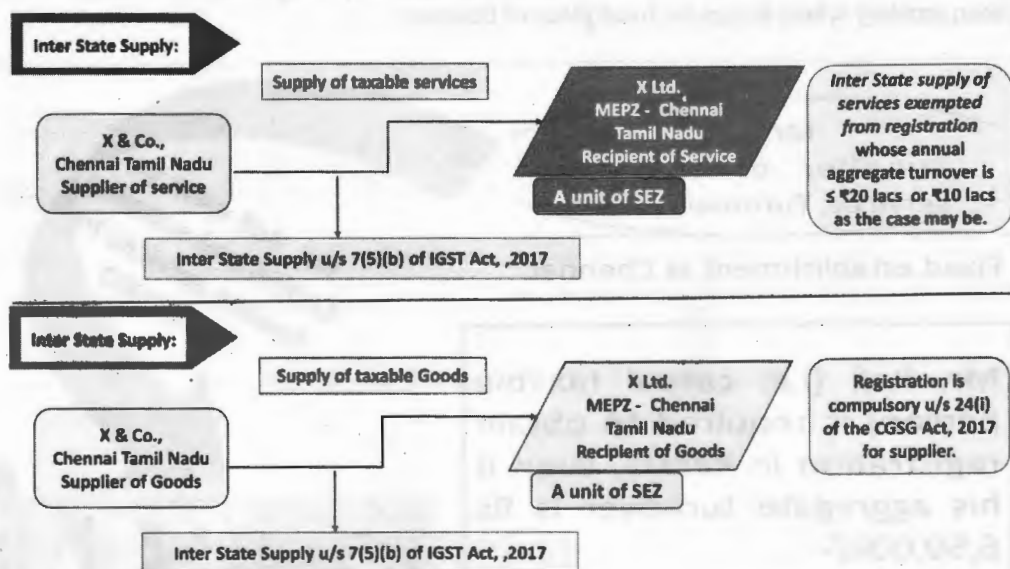
i. Person making any inter-state taxable supply:



16.9.1a Inter State supply of services exempted from registration:

The GST Council, in its 22nd meeting held on 6th October 2017, has recommended that it has now been decided to exempt those service providers whose annual aggregate turnover is less than ₹20 lacs (₹10 lacs in special category states. ₹20 lacs for J & K) from obtaining registration even if they are making inter-State taxable supplies of services (*vide* Notification No. 10/2017-Integrated Tax, dated 13th October 2017).

CBIC vide Notification No. 65/2017-Central Tax, dated 15th November 2017 exempts those service providers whose annual aggregate turnover is less than ₹20 lakhs (₹10 lakhs in special category states except J & K) from obtaining registration even if they are making inter-State taxable supplies of services. As a **further measure towards taxpayer facilitation to exempt such suppliers providing services through an e-commerce platform from obtaining compulsory registration provided their aggregate turnover does not exceed ₹20 lakhs**. As a result, all service providers, whether supplying intra-State, inter-State or through ecommerce operator, will be exempt from obtaining GST registration, provided their aggregate turnover does not exceed ₹20 lakhs (₹10 lakhs in special category States except J & K).



Example 1: Mr. CA Manish, an unregistered person under GST, has place of profession in Bhubaneswar, Odisha, supplies taxable services to Infosys Ltd, a registered person under GST in Bangalore.

Answer the following:

- Is it inter-State supply or intra-State supply?
- Who is liable to pay GST?

Note: Mr. CA Manish turnover in the P.Y. is ₹18 lakhs.

Answer: Any person making inter-state supply has to compulsorily obtain registration and therefore in such cases, section 5(4) of IGST will not come into play.

However, Services providers providing aggregate supplies including inter-state services upto ₹20 lakh will be exempted from GST.

(a) It is inter-State supply.

(b) Mr. C is not liable to pay IGST. Since, registration is not made mandatory to him.

Example 2: M/s Moon Pvt. Ltd. incorporated in Chennai on 1st July 2017 has the following details for the year 2017-18:

S.No.	Particulars	Value (₹ in lacs)
I	Inter-State exempted supply of goods	4.0
II	Intra-State supplies of services	5.0
III	Non-taxable supplies	2.0
IV	Exempted supplies of services	7.60

M/s Moon Pvt. Ltd. is required to register compulsorily under GST Law, advise.

Whether your answer is different if S.No. (i) above, inter-State taxable supply goods for ₹4 lacs.

Answer: Aggregate turnover is as follows:

S.No.	Particulars	Value (₹ in lacs)
I	Inter-State exempted supply of goods	4.0
II	Intra-State supplies of services	5.0
III	Non-taxable supplies	2.0
IV	Exempted supplies of services	7.60
	Aggregate turnover	18.60

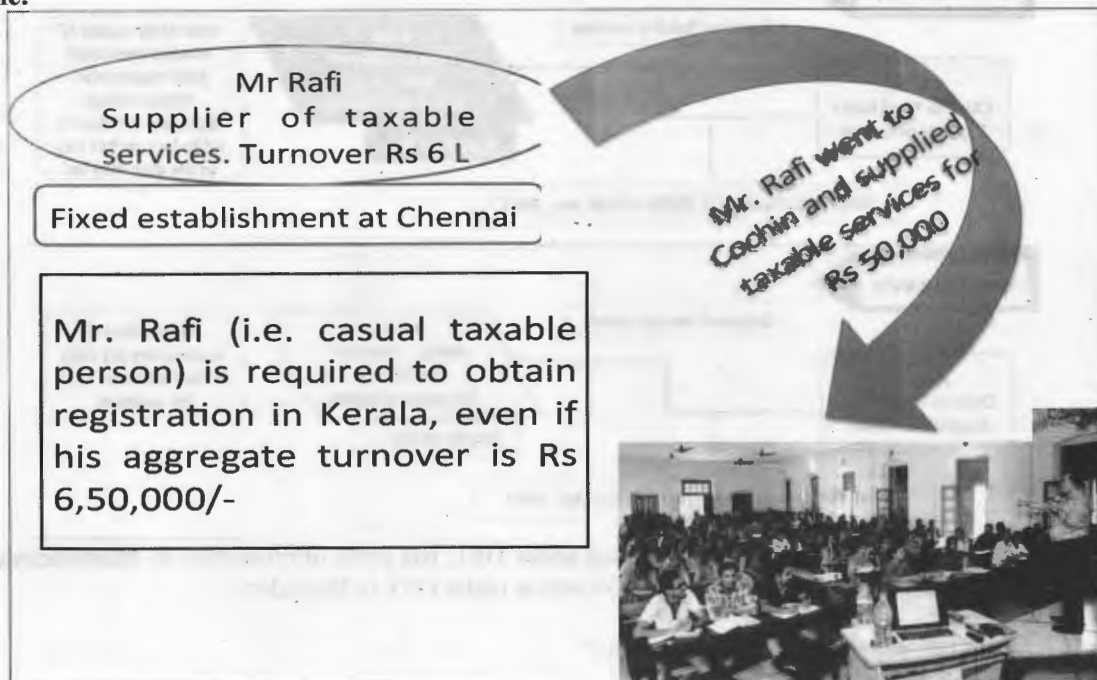
Advise: Since, aggregate turnover of Moon Pvt. Ltd. does not exceed ₹20 lakhs, registration is not compulsory in the financial year 2017-18.

Yes. Our answer is different in the case of M/s Moon Pvt. Ltd. made interstate taxable supply of goods. As per section 24 of the CGST Act, 2017 Person making any inter-state **taxable supply of goods** is required to register under GST Law irrespective of his aggregate turnover. Therefore, M/s Moon Pvt. Ltd. is required to register under GST Law.

16.9.2(ii) Causal taxable persons making taxable supply [Section 2(20)]

Causal taxable person means 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 or a Union territory where he has no fixed place of business.

Example:



16.9.2a Registration compulsory:

A casual taxable person making taxable supply in India has to compulsorily take registration. There is no threshold limit for registration. A casual taxable person cannot exercise the option to pay tax under composition levy.

16.9.2b Application for Registration:

Casual taxable persons are required to obtain GST registration under a special category at least 5 days prior to the undertaking business.

There is no special form to register as a casual taxable person. Casual taxable person can use the normal form GST REG-01 which is used by other taxable persons for registration.

A casual taxable person, before applying for registration, declare his

- Permanent Account Number,
- mobile number,
- e-mail address,
- State or Union territory

in Part A of FORM GST REG-01 on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes. The mobile number declared shall be verified through a one-time password sent to the said mobile number; and the e-mail address shall be verified through a separate one-time password sent to the said e-mail address.

On successful verification of the Permanent Account Number, mobile number and e-mail address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address. Using this reference number generated, the applicant shall electronically submit an application in Part B of FORM GST REG-01, duly signed or verified through electronic verification code, along with the documents specified in the said Form at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

16.9.2c Advance Payment of Tax:

The Common Portal, after making the mandatory advance deposit of tax for an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought will give the applicant a temporary reference number. The registration certificate shall be issued electronically only after the said deposit appears in his electronic cash ledger. The amount deposited shall be credited to the electronic cash ledger of casual taxable person. On depositing the amount, an acknowledgement shall be issued electronically to the applicant in FORM GST REG-02.

The casual taxable person can make taxable supplies only after the issuance of the certificate of registration.

16.9.2d Validity of Registration:

The certificate of registration shall be valid for the period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier.

The proper officer may extend registration for a period not exceeding 90 days. The casual taxable person shall make an advance deposit of tax (i.e. ADVANCE PAYMENT OF TAX) in an amount equivalent to estimated tax liability of such person for the period for which extension of registration is sought.

16.9.2e Returns:

The casual taxable person is required to furnish the following returns electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

- (a) FORM GSTR-1 giving the details of outward supplies of goods or services to be filed on or before the tenth day of the following month.
- (b) FORM GSTR-2, giving the details of inward supplies to be filed after tenth but before the fifteenth day of the following month.
- (c) FORM GSTR-3 to be filed after fifteenth day but before the twentieth day of the following month.

16.9.2f Annual return:

However, a casual tax person shall not be required to file any annual return as required by a normal registered taxpayer.

16.9.2g Refund by Casual taxable person:

The casual taxable person is eligible for the refund of any balance of the advance tax deposited by him after adjusting his tax liability. The balance advance tax deposit can be refunded only after all the returns have been furnished, in respect of the entire period for which the certificate of registration was granted to him had remained in force. The refund relating to balance in the electronic cash ledger has to be made in serial no. 14 of the last FORM GSTR-3 return required to be furnished by him.

"If the estimated tax is much more than what is payable, it would be a lengthy process to obtain a refund. In the absence of output tax in the state where the goods or service has been supplied as a casual taxable person, input tax credit also cannot be claimed."

16.9.2h Input Tax Credit:

Input tax credit shall be availed in respect of goods or services or both received by a casual taxable person. The taxes paid by a casual taxable person shall be available as credit to the respective recipients.

Example 1: Mr. Gold runs a retail shop for handmade jewellery and is registered in Chennai. Mr. Gold is planning to sell the jewellery at an exhibition in Mumbai, to be held from 1st January 2018 to 10th January 2018. Advise him with regard to registration and payment of GST.

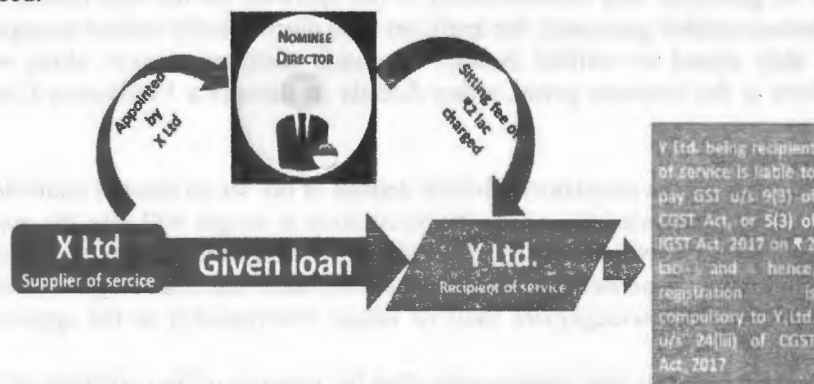
Answer: Mr. Gold should apply for registration as a casual taxable person within 5 days prior to the date of commencing the exhibition on 1st January 2018. Mr. Gold should also make an advance deposit of the estimated tax liability for the period from 1st January 2018 to 10th January 2018.

Example 2: M/s X Ltd is an advertising company located in Chennai and is registered as a normal taxable person there. Now, they have secured an assignment to manage digital marketing for the **Koti Deepothsavam Festival**, which will take place in Hyderabad, Telangana. This will require M/s X Ltd. to displace some resources in Hyderabad until the festival is over. Advise M/s X Ltd. to obtain for separate registration in the State of Telangana.

Answer: In this case, since M/s X Ltd does not have too many assignments coming from Hyderabad, they can register as a Casual Taxable Person in Telangana for 90 days. This will enable the organizers of the festival to take input credit on all GST paid to M/s X Ltd.

16.9.3(iii) Person who are required to pay tax under reverse charge;

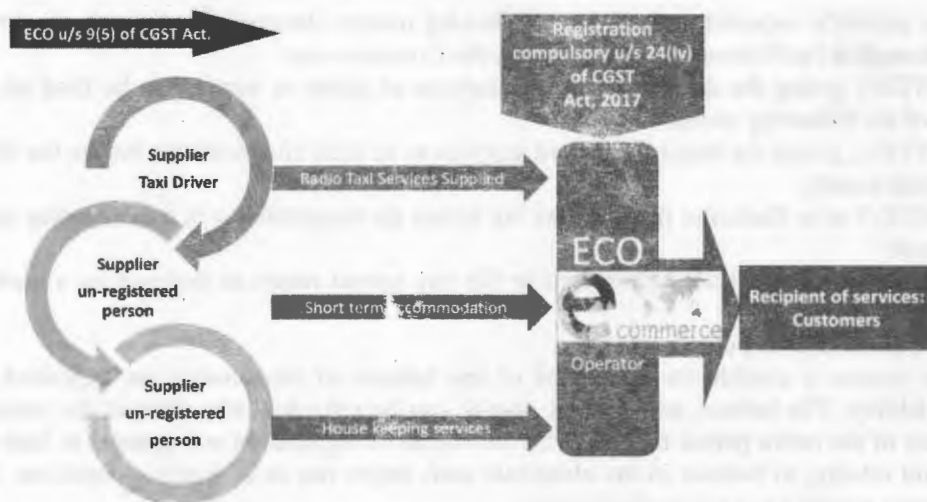
Already discussed.



16.9.4(iv) Person who are required to pay tax under section 9(5) of CGST (i.e. Electronic Commerce Operator)

Electronic commerce operator: shall include every person who, directly or indirectly, owns, operates or manages an electronic platform that is engaged in facilitating the supply of any goods and/or services or in providing any information or any other services incidental to or in connection there with but shall not include persons engaged in supply of such goods and/or services on their own behalf.

However, Titan company supplying watches and jewels through its own website would not be considered as an e-commerce operator for the purpose of this provision.



16.9.5 (v) Non-resident taxable person making taxable supply:

Section 2(77): non-resident taxable person means 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. A non-resident taxable person cannot exercise the option to pay tax under composition levy.

16.9.5a Registration compulsory:

A non-resident taxable person making taxable supply in India has to compulsorily take registration. There is no threshold limit for registration.

16.9.5b Application for Registration:

Non-resident taxable person has to apply for registration at least five days prior to commencing his business in India using a valid passport (and need not have a PAN number in India).

A non-resident taxable person is not required to apply in normal application for registration being filed by other taxpayers. A simplified form GST REG-09 is required to be filled. A non-resident taxable person has to electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code (EVC), in FORM GST REG-09, at least five days prior to the commencement of business at the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.

In case the non-resident taxable person is 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.

The application for registration made by a non-resident taxable person has to be signed by his authorized signatory who shall be a person resident in India having a valid PAN. On successful verification of PAN, mobile number and e-mail address the person applying for registration as a non-resident taxable person will be given a temporary reference number by the Common Portal for making the mandatory advance deposit of tax for an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought.

The registration certificate shall be issued electronically only after the said deposit appears in his electronic cash ledger. The amount deposited shall be credited to the electronic cash ledger of the Non-resident person.

The non-resident taxable person can make taxable supplies only after the issuance of the certificate of registration.

16.9.5c Advance tax:

A non-resident taxable person has to make an advance deposit of tax in an amount equivalent to his estimated tax liability for the period for which the registration is sought.

16.9.5d Validity of Registration:

The certificate of registration shall be valid for the period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier.

In case the non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in FORM GST REG-11 shall be submitted electronically through the Common Portal, either directly or through Facilitation Centre notified by the Commissioner, before the end of the validity of registration granted to him.

The validity period of 90 days can be extended by a further period not exceeding ninety days. The extension will be allowed only on payment of the amount of an additional amount of tax equivalent to the estimated tax liability for the period for which the extension is sought.

16.9.5e Input Tax Credit:

Input tax credit shall not be available in respect of goods or services or both received by a non-resident taxable person except on goods imported by him. The taxes paid by a non-resident taxable person shall be available as credit to the respective recipients.

16.9.5f Returns:

The non-resident taxable person shall furnish a return in FORM GSTR-5 electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, including therein the details of outward supplies and inward supplies and shall pay the tax, interest, penalty, fees or any other amount payable under the Act or these rules within **20 days** after the end of a calendar month or within **7 days** after the last day of the validity period of registration, whichever is earlier.

Note: Non-resident taxable person shall not be required to file Annual return.

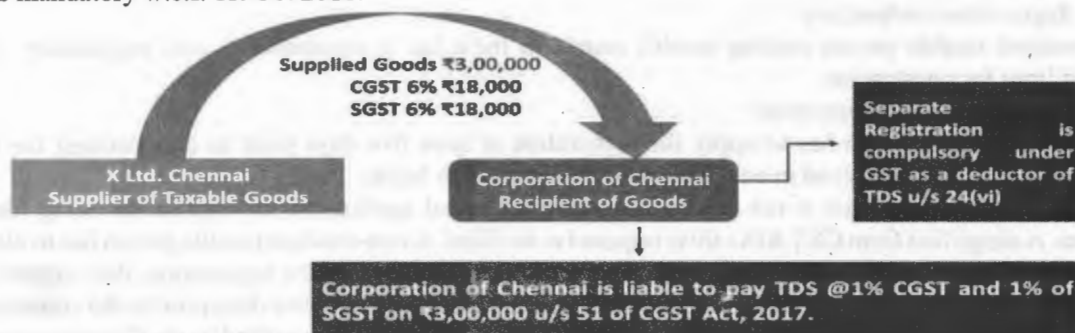
16.9.5g Refund:

The amount of advance tax deposited by a non-resident taxable person under will be refunded only after the person has furnished all the returns required in respect of the entire period for which the certificate of registration granted to him had remained in force. Refund can be applied in the serial no. 13 of the FORM GSTR-5.

16.9.6(vi) Persons who are required to deduct tax under section 51 whether or not separately registered under this Act:

As per 22nd GST Council meeting of 6th October, 2017 Provisions of TDS deferred to 1st April, 2018. This provision is further deferred to 30th June, 2018.

Now TDS is mandatory w.e.f. 1st Oct 2018.



16.9.7(vii) Persons who make taxable supply of goods or services or both on behalf of other taxable person whether as an agent or otherwise;

Clearing and forwarding (C&F) Agent receives the goods on behalf of the principal. Subsequently he supplies goods to the customer as an agent of the principal. He maintains the stock and report to the principal. If so such an agent shall be liable to obtain the registration compulsorily irrespective of the aggregate turnover of such agent.



X Academy (Persons who make taxable supply of services) on behalf of other taxable person (NIIT New Delhi) whether as an agent or otherwise is required to register compulsorily u/s 24(vii) of CGST Act, 2017

Free supplies – Principal-agent relationship under schedule I of CGST Act, 2017 (CBIC Corrigendum F. No. CBIC/20/16/04/2018-GST, dated 5-11-2018):

Generally, a commission agent under Agriculture Produce Marketing Committee (APMC) Act, makes supplies on behalf of an agriculturist. Further, as per provisions of clause (b) of sub-section (1) of Section 23 of the CGST Act, 2017 an agriculturist who supplies produce out of cultivation of land is not liable for registration and therefore does not fall within the ambit of the term 'taxable person'. Thus, a commission agent who is making supplies on behalf of such an agriculturist, who is not a taxable person, is not liable for compulsory registration under clause (vii) of section 24 of the CGST Act, 2017.

16.9.8(viii) Input Service Distributor whether or not separately registered under CGST;

As per Section 2(61) of the CGST Act, 2017, Input Service Distributor (ISD) means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 of the CGST Act, 2017 towards receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax

(CGST), State tax (SGST)/Union territory tax (UTGST) or integrated tax (IGST) paid on the said services to a supplier of taxable goods or services or both having same PAN as that of the ISD.

It is important to note that the ISD mechanism is meant only for distributing the credit on common invoices pertaining to input services only and not goods (i.e. inputs or capital goods).

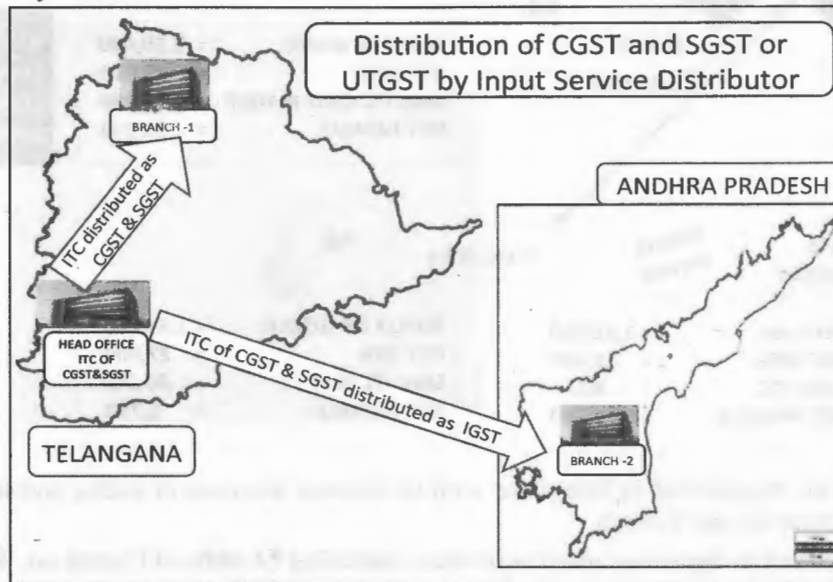
16.9.8a Registration compulsory:

An ISD will have to compulsorily take a separate registration as such ISD and apply for the same in form GST REG-1. There is no threshold limit for registration for an ISD. The other locations may be registered separately.

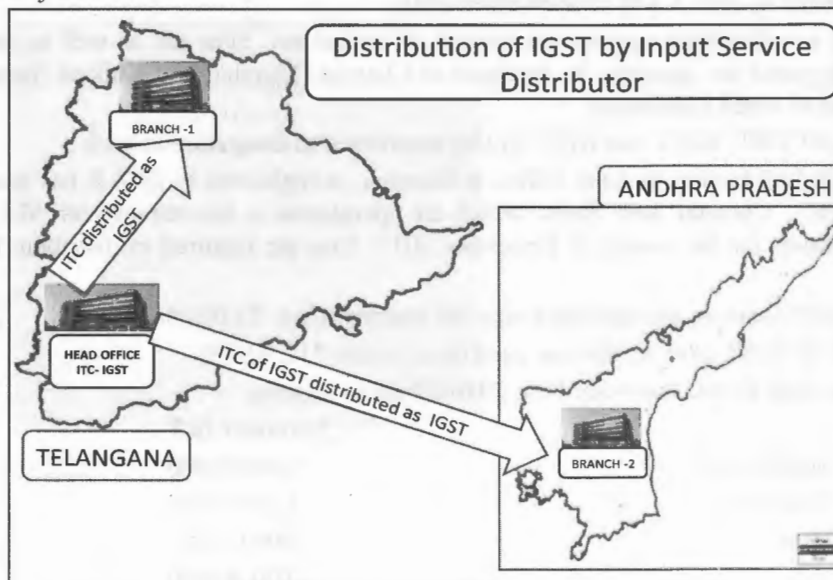
16.9.8b Distribution of input tax credit by ISD:

The Head Office would be procuring certain services which would be for common utilization of all units across the country. The bills for such expenses would be raised on the Head Office. But the Head Office itself would not be providing any output supply so as to utilize the credit which gets accumulated on account of such input services. ISD mechanism enables such proportionate distribution of credit of input services amongst all the consuming units. For the purposes of distributing the input tax credit, an ISD has to issue an ISD invoice, as prescribed in rule 54(1) of the CGST Rules, 2017, clearly indicating in such invoice that it is issued only for distribution of input tax credit. The input tax credit available for distribution in a month shall be distributed in the same month and details furnished in FORM GSTR-6. Further, an ISD shall separately distribute both the amount of ineligible and eligible input tax credit.

16.9.8b1 Distribution of CGST and SGST or UTGST:

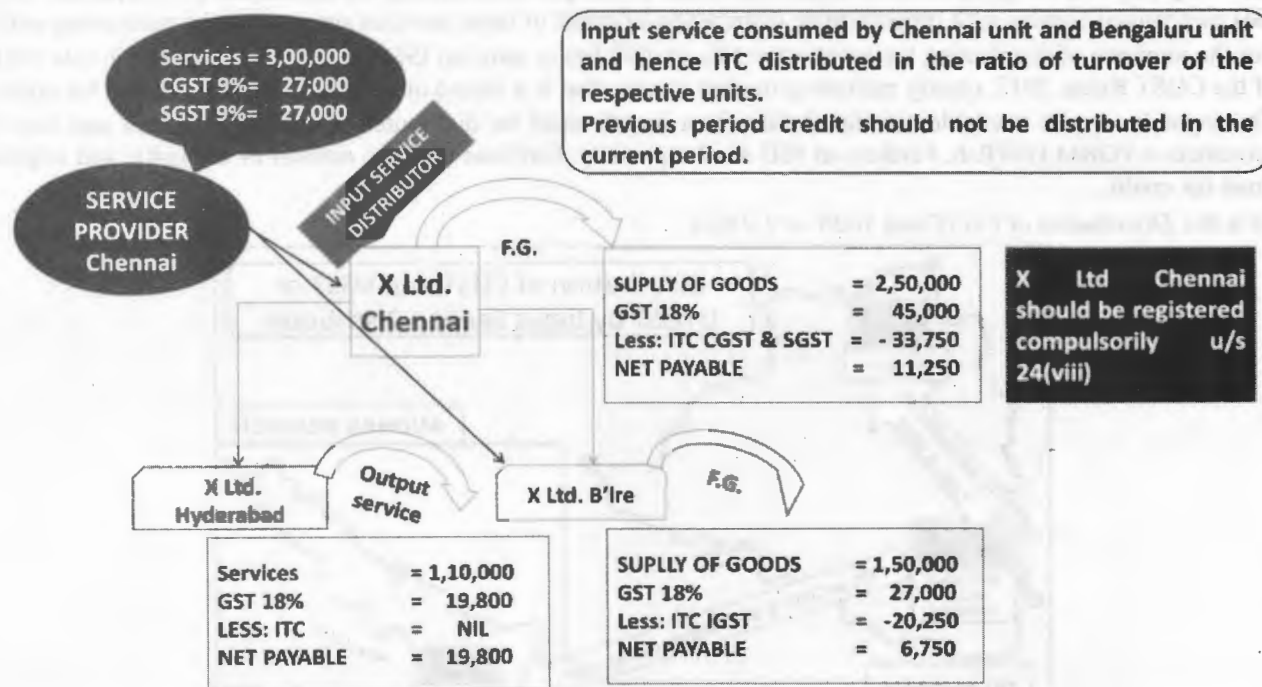


16.9.8b2 Distribution of IGST:



16.9.8c Manner of Distribution of ITC by ISD:

- (i) The credit has to be distributed only to the unit to which the supply is directly attributable to.
For example, if an ISD has 4 units across the country. However, if a particular input service pertains exclusively to only one unit and the bill is raised in the name of ISD, the ISD can distribute the credit only to that unit and not to other units.
- (ii) If input services are attributable to more than one recipient of credit, the distribution shall be in the pro-rata basis of turnover in the State/Union Territory.
For example, if an ISD has 4 units across the country. If the input services are common for all units, then it will be distributed according to the ratio of turnover of all the units.

Example 1:

Example 2: M/s X Ltd. incorporated in Bangalore, with its business locations of selling and servicing of goods in Bangalore, Chennai, Mumbai and Kolkata.

M/s X Ltd. an ISD situated in Bangalore receives invoices indicating ₹4 lakhs of Central tax, ₹4 lakhs of State tax and ₹7 lakhs of integrated tax on input service. Input services commonly used by the units of M/s X Ltd. How these taxes are distributed by M/s X Ltd. to their other units.

Answer: M/s X Ltd. can distribute appropriate amount of central tax, State tax as well as integrated tax of ₹15 lakhs as credit of integrated tax amongst its locations at Chennai, Mumbai and Kolkata through an ISD invoice containing the amount of credit distributed.

Appropriate amount of CGST, SGST and IGST will be transferred to Bangalore as such

Example 3: M/s XYZ Ltd, having its head Office at Mumbai, is registered as ISD. It has three units in different states namely 'Mumbai', 'Chennai' and 'Delhi' which are operational in the current year. M/s XYZ Ltd furnishes the following information for the month of December 2017. You are required to distribute the below input tax credit.

- (i) CGST and SGST paid on services used only for Mumbai Unit: ₹3,00,000/-
 (ii) IGST, CGST & SGST paid on services used for all units: ₹12,00,000/-

Total Turnover of the units for the Financial Year 2016-17 are as follows: —

Unit	Turnover in ₹
Turnover of Mumbai unit	5,00,00,000
Turnover of Chennai	3,00,00,000
Turnover of Delhi	2,00,00,000
Total turnover	10,00,00,000

Answer: Statement showing distribution of input tax credit:

Particulars	Credit distributed to all the units			
	Total credit available ₹	Mumbai ₹	Chennai ₹	Delhi ₹
CGST & SGST paid on services used only for Mumbai Unit.	3,00,000	3,00,000	0	0
IGST, CGST & SGST paid on services used in all units. Distribution on pro-rata basis to all the units which are operational in the current year	12,00,000	6,00,000	3,60,000	2,40,000
Total	15,00,000	9,00,000	3,60,000	2,40,000

Working note:

(1) CGST & SGST paid on services used only for Mumbai Unit should be distributed only to that unit.

(2) Credit distributed pro rata basis on the basis of the turnover of all the units is as under: —

- (a) Unit Mumbai: ₹
 $(5,00,00,000/10,00,00,000) \times 12,00,000 = 6,00,000$
- (b) Unit Chennai:
 $(3,00,00,000/10,00,00,000) \times 12,00,000 = 3,60,000$
- (c) Unit Delhi:
 $(2,00,00,000/10,00,00,000) \times 12,00,000 = 2,40,000$

Example 4: Sarani Weavers at Mumbai is an input service distributor and intends to distribute input tax credit u/s 20 of the CGST Act, 2017, for the month of March 2018. The following are the details available for such distribution:

Branch	Turnover of the last quarter (Amt. in ₹)	ITC specifically applicable to the branch (Amt. in ₹)
Ganganagar Branch	10,00,000	IGST - ₹12,000 CGST - ₹3,000 SGST - ₹3,000
Madhugiri Branch	5,00,000	Nil
Kosala Branch	15,00,000	Nil
Mumbai HO	20,00,000	IGST - ₹1,50,000 CGST - ₹15,000 SGST - ₹15,000

Inputs/input services used commonly by all branches against which ITC available is:

CGST - ₹60,000

SGST - ₹60,000

IGST - ₹1,20,000

ITC (IGST) of December 2017, ₹10,000 which was inadvertently left out, whether same can be considered for distribution in March 2018.

Madhugiri branch uses inputs to manufacture exempted products.

All branches are outside Maharashtra. Turnover excludes duties & taxes payable to Central and State Government.

Determine the input tax distribution.

(CA Final IDT May 2018 - Old Syl.) 4 Marks

Answer:

Particulars	Credit distributed to all the units											
	Ganganagar Branch ₹			Madhugiri Branch ₹			Kosala Branch ₹			Mumbai HO ₹		
	IGST	CGST	SGST	IGST	CGST	SGST	IGST	CGST	SGST	IGST	CGST	SGST
ITC specifically applicable	12,000	3,000	3,000	Nil	Nil	Nil	Nil	Nil	Nil	1,50,000	15,000	15,000
Common ITC	48,000	Nil	Nil	24,000	Nil	Nil	72,000	Nil	Nil	48,000	24,000	24,000
Total	60,000	3,000	3,000	24,000	Nil	Nil	72,000	Nil	Nil	1,98,000	39,000	39,000

Working Note:

- (1) The input tax credit available for distribution in a month shall be distributed in the same month and details furnished in FORM GSTR-6.
- (2) Further, an ISD shall separately distribute both the amount of ineligible and eligible input tax credit.
- (3) Distribution of common ITC:

Branch	Turnover of the last quarter (Amt. in ₹)	Ratio
Ganganagar Branch	10,00,000	2
Madhugiri Branch	5,00,000	1
Kosala Branch	15,00,000	3
Mumbai HO	20,00,000	4
Total	50,00,000	10

Ganganagar Branch =

CGST - ₹60,000 x 2/10 = 12,000 distributed as IGST

SGST - ₹60,000 x 2/10 = 12,000 distributed as IGST

IGST - ₹1,20,000 x 2/10 = 24,000 distributed as IGST

Total = 48,000

Madhugiri Branch

CGST - ₹60,000 x 1/10 = 6,000 distributed as IGST

SGST - ₹60,000 x 1/10 = 6,000 distributed as IGST

IGST - ₹1,20,000 x 1/10 = 12,000 distributed as IGST

Total = 24,000

Kosala Branch

CGST - ₹60,000 x 3/10 = 18,000 distributed as IGST

SGST - ₹60,000 x 3/10 = 18,000 distributed as IGST

IGST - ₹1,20,000 x 3/10 = 36,000 distributed as IGST

Total = 72,000

Mumbai HO

CGST - ₹60,000 x 4/10 = 24,000 distributed as CGST

SGST - ₹60,000 x 4/10 = 24,000 distributed as SGST

IGST - ₹1,20,000 x 4/10 = 48,000 distributed as IGST

16.9.8d Return:

An ISD will have to file monthly returns in GSTR-6 within 13 days after the end of the month and will have to furnish information of all ISD invoices issued.

The details in the returns will be made available to the respective recipients in their GSTR 2A.

The recipients may include these in its GSTR-2 and take credit.

16.9.8e Annual Return:

An ISD shall not be required to file Annual return.

Important Note: An ISD cannot accept any invoices on which tax is to be discharged under reverse charge mechanism. This is because the ISD mechanism is only to facilitate distribution of credit of taxes paid. The ISD itself cannot discharge any tax liability (as person liable to pay tax) and remit tax to government account. If ISD wants to take reverse charge supplies, then in that case ISD has to separately register as Normal taxpayer.

Circular No. 71/45/2018-GST, dated the 26th October 2018

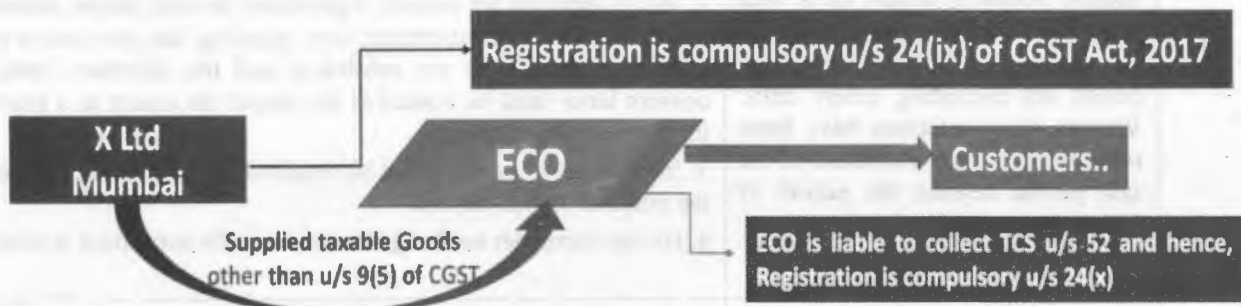
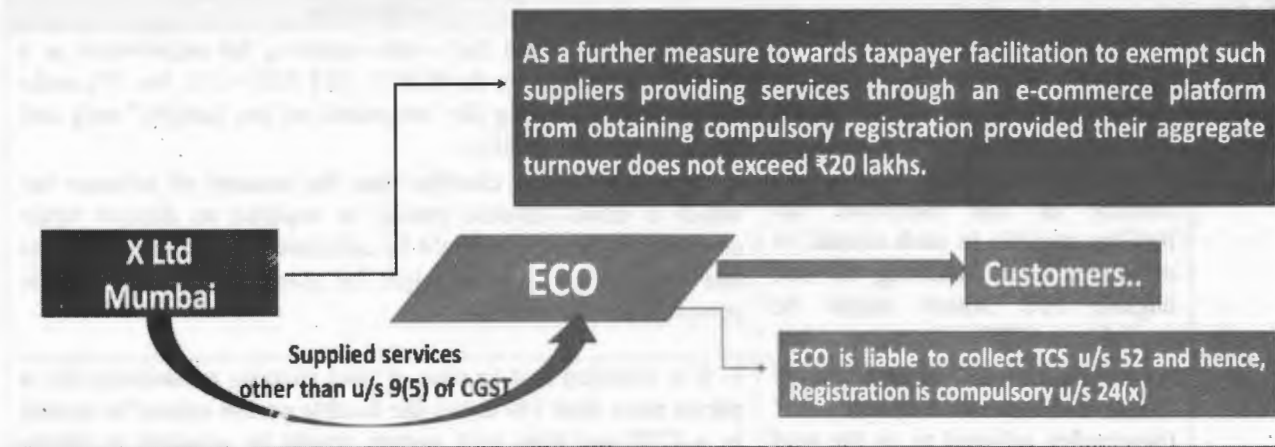
S. No.	Issue	Clarification
1	Whether the amount required to be deposited as advance tax while taking registration as a casual taxable person (CTP) should be 100% of the estimated gross tax liability or the estimated tax liability payable in cash should be calculated after deducting the due eligible ITC which might be available to CTP?	<p>1. It has been noted that while applying for registration as a casual taxable person, the FORM GST REG-1 (S. No. 11) seeks information regarding the “estimated net tax liability” only and not the gross tax liability.</p> <p>2. It is accordingly clarified that the amount of advance tax which a casual taxable person is required to deposit while obtaining registration should be calculated after considering the due eligible ITC which might be available to such taxable person.</p>
2	As per section 27 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Act), period of operation by casual taxable person is ninety days with provision for extension of same by the proper officer for a further period not exceeding ninety days. Various representations have been received for further extension of the said period beyond the period of 180 days, as mandated in law.	<p>1. It is clarified that in case of long running exhibitions (for a period more than 180 days), the taxable person cannot be treated as a CTP and thus such person would be required to obtain registration as a normal taxable person.</p> <p>2. While applying for normal registration the said person should upload a copy of the allotment letter granting him permission to use the premises for the exhibition and the allotment letter/ consent letter shall be treated as the proper document as a proof for his place of business.</p> <p>3. In such cases he would not be required to pay advance tax for the purpose of registration.</p> <p>4. He can surrender such registration once the exhibition is over.</p>
3	Representations have been received regarding the manner of recovery of excess credit distributed by an Input Service Distributor (ISD) in contravention of the provisions contained in section 20 of the CGST Act.	<p>1. According to Section 21 of the CGST Act where the ISD distributes the credit in contravention of the provisions contained in section 20 of the CGST Act resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from such recipients along with interest and penalty if any.</p> <p>2. The recipient unit(s) who have received excess credit from ISD may deposit the said excess amount voluntarily along with interest if any by using FORM GST DRC-03.</p> <p>3. If the said recipient unit(s) does not come forward voluntarily, necessary proceedings may be initiated against the said unit(s) under the provisions of section 73 or 74 of the CGST Act as the case may be. FORM GST DRC-07 can be used by the tax authorities in such cases.</p> <p>4. It is further clarified that the ISD would also be liable to a general penalty under the provisions contained in section 122(1)(ix) of the CGST Act.</p>

16.9.9 (ix) Persons who supply of goods or services or both, other than supplies specified under section 9(5) through such Electronic Commerce Operator (ECO) who is required to collect tax at source under section 52;

As per 22nd GST Council meeting of 6th October, 2017 Provisions TCS deferred to 1st April, 2018.

This provision is further deferred to 30th June, 2018.

Now TCS is mandatory w.e.f. 1st Oct., 2018.



16.9.10 (x) Every electronic commerce operator:

As per section 2(45) of the CGST Act, 2017, Electronic Commerce Operator (ECO) means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce.

16.9.10a Registration compulsory:

As per Section 24(x) of the CGST Act, 2017 the benefit of threshold exemption is not available to e-commerce operators and they are liable to be registered irrespective of the value of supply made by them.

A person supplying goods or services through e-commerce operator would not be entitled to threshold exemption (i.e. ₹20 lacs or ₹10 lacs as the case may be). This requirement is, however, applicable only if the supply is made through such electronic commerce operator who is required to collect tax at source under section 52 of the CGST Act, 2017.

Hence, any person who intends to sell on Flipkart or Amazon or Snapdeal must obtain GST registration.

An e-commerce operator is any online business that operates using a marketplace model. Under the marketplace model, an organization sets up an online portal where several small suppliers put up their products for sale. The organization that runs the portal collects payments, takes a percentage as a convenience fee, and sends the rest of the payment to the suppliers (like Flipkart, Amazon, and Snapdeal etc.).

However, where the e-commerce operators are liable to pay tax on behalf of the suppliers under a notification issued under section 9(5) of the CGST Act, 2017, the suppliers of such services are entitled for threshold exemption.

16.9.11 (xi) Every person supplying online information and database access or retrieval services from place outside India to a person in India, other than a registered person;

Section 2(17) of IGST Act, 2017 "online information and database access or retrieval services" means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as: -

- (i) advertising on the internet;
- (ii) providing cloud services;
- (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
- (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;

- (v) online supplies of digital content (movies, television shows, music and the like);
- (vi) digital data storage; and
- (vii) online gaming;

16.10 Registration Procedure under GST u/s 25 of CGST

Every person who is liable to be registered shall apply for registration within 30 days from the date on which he becomes liable to registration, before applying for registration declare his

1. Legal name of business
2. PAN,
3. Mobile number,
4. e-mail address,
5. State or Union territory

in Part A of Form GST REG-01 on Common Portal.

Vide NT No. 16/2020-CT, dated 23.03.2020: As per Rule 8(4A), the applicant shall, while submitting an application under sub-rule (4), with effect from 01.04.2020, undergo authentication of Aadhaar number for grant of registration.]

As Section 25(6) of the CGST Act, 2017, Every person shall have a PAN 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 of the CGST Act, may have, in lieu of PAN, a Tax Deduction and Collection Account Number issued under the Income Tax Act, in order to be eligible for grant of registration.

On successful verification of these numbers, a reference number will be generated.

Applicant shall submit Part B of Form GST REG-01, duly signed, along with documents specified in the said Form at the Common Portal.

Form GST REG-02: Acknowledgement of Application.

If these documents are found to be in order, the Proper Officer shall approve the registration within 3 working days from the date of submission.

Important changes as per Notification No. 94/2020-CT dated 22-12-2020 Applicable from 22-12-2020:

The registration Time limit for approval of GST Registration increased

The time for system-based registration has been modified from 3 working days to 7 working days. Now the grant registration would be within 7 working days against 3 working days as provided earlier from the date of filing of the registration application (Rule 9 of the CGST Rules, 2017).

In cases, the applicant does not do Aadhaar authentication or where the department feels fit to carry out physical verification the time limit for grant of registration shall be 30 days instead of 7 working days.

As per the Finance Act, 2018:

2nd provisio to section 25(1) shall be inserted, namely:—

"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.";

w.e.f. 1-8-2019, Authentication or furnish proof of possession of Aadhaar Numbe:

In section 25 of the Central Goods and Services Tax Act, after sub-section (6), the following sub-sections shall be inserted, namely:—

“(6A) 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:

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:

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 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.

(6B) 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:

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.

(6C) 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 recommendations of the Council, specify in the said notification: 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.

(6D) 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.

Explanation.—For the purposes of this section, the expression “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.”.

Persons/class of persons exempt from aadhaar authentication:

The provisions of Section 25(6B) and (6C) of CGST Act, 2017 shall not apply to a person who is—

- (a) Not a citizen of India; or
- (b) A Department or establishment of the Central Government or State Government; or
- (c) A local authority; or
- (d) A statutory body; or
- (e) A Public Sector Undertaking; or
- (f) A person applying for registration under the provisions of sub-section (9) of Section 25 of the CGST Act, 2017 (i.e. 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 or person holding Unique Identity Number (UIN)).

(Notification No. 3/2021-CT, dated 23-2-2021)

w.e.f. 1-1-2021, Biometric authentication for grant of GST registration:

The authentication is done until now while applying for GST registration was based on Aadhar number authentication. However, now the Individual/Karta/Managing Director/Whole Time Director/Partner/Members of the managing committee of Association/Board of Trustees, Authorized Representatives or Authorized Signatory will have to get biometric-based Aadhar authentication and photographs submitted.

In case a person wishes not to opt for Aadhar authentication, biometric information along with photographs and other KYC documents are to be submitted. Only upon verification of such documents, the registration would be granted.

These activities would have to be physically carried out at one of the Facilitation centers as notified by the Commissioner.

Physical verification for grant of GST Registration—

Where a person has not opted for Aadhar authentication or fails to undergo Aadhar authentication or where the proper officer deems it fit there shall be physical verification of the place of business of the person applying for GST registration. In such a case where physical verification has been carried out, one of the following steps will be carried out:

- (a) registration shall be granted in FORM GST REG-06 (where documents are in order); or
- (b) deficiency memo shall be issued (where further documents or clarifications are required) in FORM GST REG-03

Either one of the above activities needs to be carried out within 30 days of the submission of the application.

16.10.1 Deemed Registration:

- (a) *If no physical verification was carried out:* In such a case if registration is not granted within 7 working days of receipt of application which is complete in all aspects or within 7 working days of receipt of clarification to FORM GST REG-03 in FORM GST REG-04, the application for registration shall be deemed to have been approved.
- (b) *Where physical verification was carried out (omitted):* In such a case if registration is not granted or a deficiency memo is not issued within 30 days of receipt of the application, the application for registration shall be deemed to have been approved.

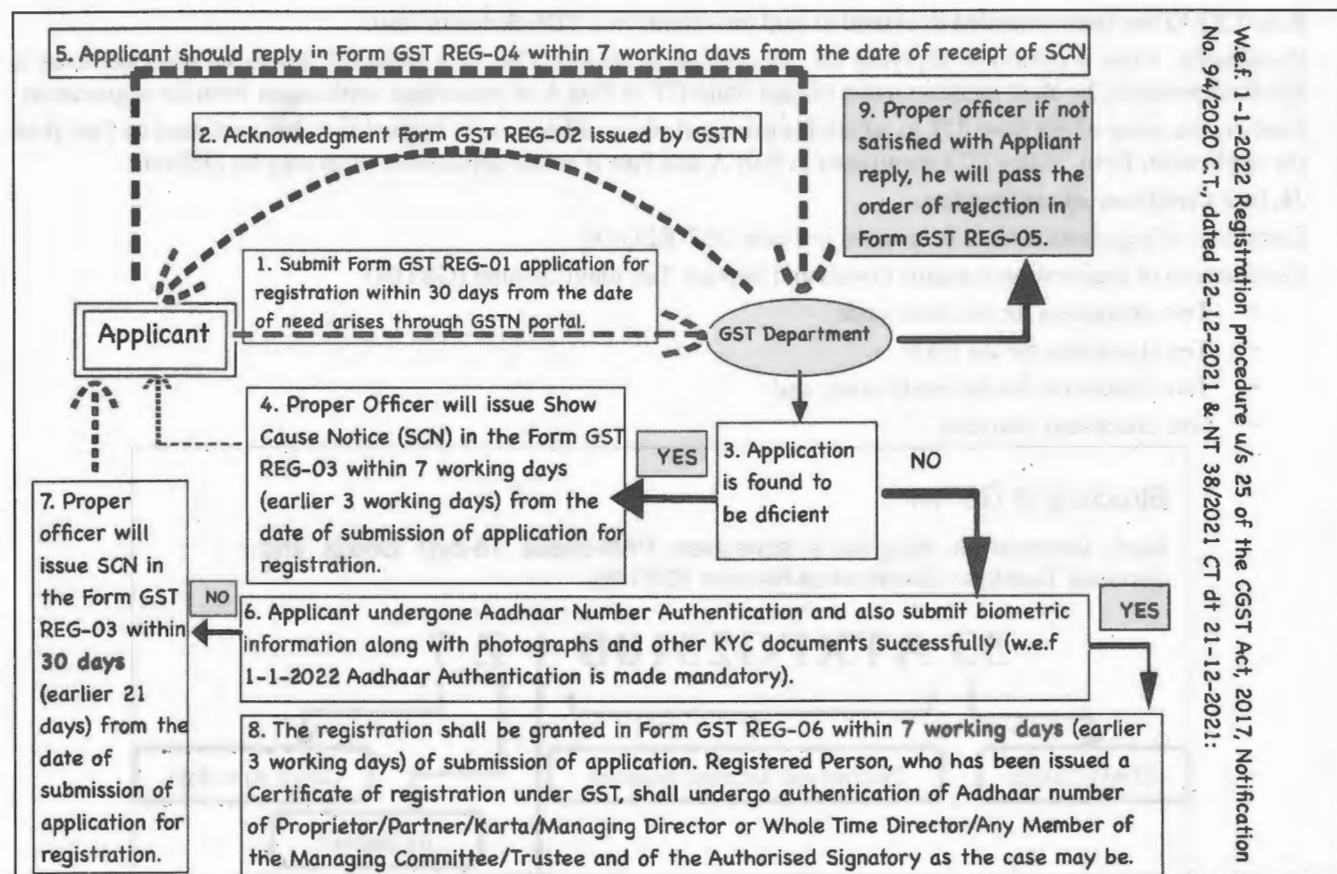
The Proper Officer is satisfied with the clarification; he may approve the grant of registration to the applicant within 7 working days on receipt of such clarification.

If no reply is furnished by applicant in response to notice issued or Proper Officer is not satisfied with the clarification, he shall reject such application with reasons in writing and inform the applicant in

Form GST REG-05.

Where no action is taken in 7 working days on the clarification received from the applicant, the registration is deemed to have been granted.

Aadhaar authentication mandatory for the new registrations and as well as for the existing registered persons under GST w.e.f. 1-1-2022.



After Aadhaar Authentication such person is also eligible for the following purposes:

- For filing of application for revocation or cancellation of registration
- For filing of refund application in Form RFD-01
- For refund of the IGST paid on goods exported out of India.

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 manner. Such manner has been prescribed by rule 10B as follows:

- Such person shall furnish her/his Aadhaar Enrolment ID slip; and
- (i) Bank passbook with photograph or
(ii) Voter Identity card issued by the Election Commission of India; or
(iii) Passport; or
(iv) Driving Licence issued by the Licensing Authority.

Such person shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number.

Verification of the application and approval (w.e.f. 1-4-2020):

Vide NT No. 16/2020-CT, dated 23.03.2020: As per Rule 8(4A), the applicant shall, while submitting an application under sub-rule (4), with effect from 01.04.2020, undergo authentication of Aadhaar number for grant of registration.

Provided that where a person, other than those notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, then the registration shall be granted only after physical verification of the principle place of business in the presence of the said person, not later than **60 days** from the date of application, in the manner provided under rule 25 and the provisions of sub-rule (5) shall not be applicable in such cases (i.e. Deemed Registration).

Manner of furnishing the details of State/UT in application for registration by a TDS deductor in a State/UT where he doesn't have a physical presence [Rule 12(1A) of the CGST Rules] [Notification No. 33/2019-CT, dated 18.07.2019]

Hitherto, there was specific provision for furnishing details of State/UT in the application for registration by a TCS collector in a State where he doesn't have a physical presence, prescribed under rule 12(1A).

Rule 12(1A) has been amended to extend to said provisions to a TDS deductor also.

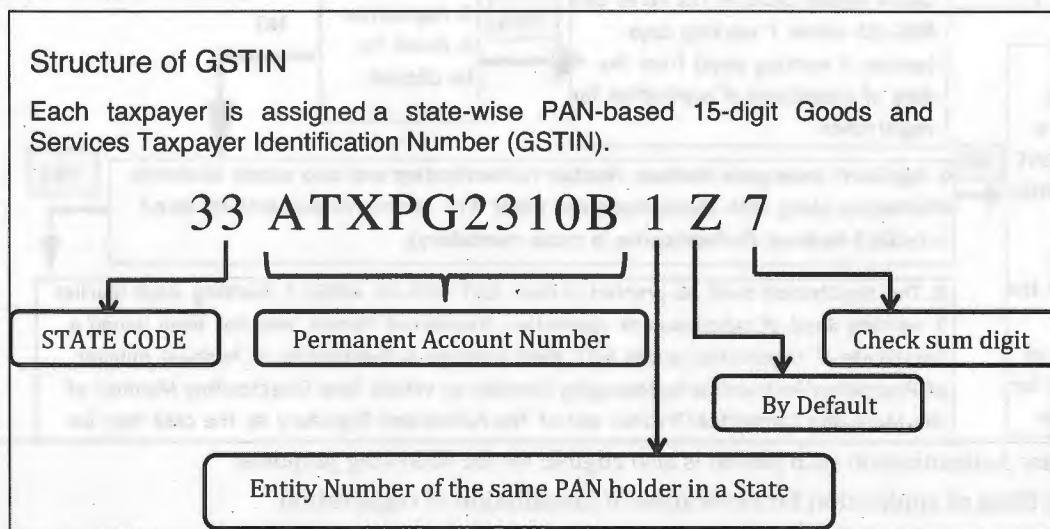
Resultantly, when a person is applying for registration to deduct TDS in a State/UT where he does not have a physical presence, he shall mention name of said State/UT in Part A of prescribed application form for registration. Further, the name of the State/UT in which his principal place of business is located is to be mentioned in Part B of the application form. States/UTs mentioned in Part A and Part B of the application form may be different.

16.10.2 Certificate of registration:

Certificate of registration shall be granted in Form GST REG-06.

Certification of registration contains Goods and Service Tax Identification (GSTIN):

- Two characters for the State code
- Ten characters for the PAN
- Two characters for the entity code; and
- One checksum character



Furnishing of Bank Account Details.—

After a certificate of registration in FORM GST REG-06 has been made available on the common portal and a Goods and Services Tax Identification Number has been assigned, the registered person, except those who have been granted registration under rule 12 or, as the case may be rule 16, shall as soon as may be, but not later than forty five 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, 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.” (Notification No. 31/2019-Central Tax, dated 28-6-2019).

This relaxation is not available for those who have been granted registration as TDS deductor/ TCS collector under rule 12 or who have obtained *suo-motu* registration under rule 16.

16.10.3 Suo-moto registration (Rule 16 of CGST Rules, 2017)

During any survey, enquiry, inspection, search or any other proceedings, the Proper Officer finds that a person liable to registration but not registered, such officer may register the said person on a temporary basis and issue an order in Form GST REG-12.

Person to whom a temporary registration has been granted shall, within 90 days from the date of grant of such registration, submit an application for registration (i.e. GST REG-01 or GST REG-07).

If said person has filed an appeal against the grant of temporary registration, in such case, the application for registration shall be submitted within 30 days from the date of the issuance of the order upholding the liability to registration by the Appellate Authority.

Registration is effective from the date of such order granting registration in Form GST REG-12.

Foreign Diplomatic Mission/UN Organization to be granted centralized UIN:

Rule 17 of the CGST Rules has been amended to provide that the Unique Identity Number granted to any specialised agency of the UN or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries shall be applicable to the territory of India. Such centralized UIN will lessen the compliance burden on Foreign Diplomatic Missions/UN Organizations.

[Notification No. 75/2017-CT, dated 29.12.2017]

Effective date of amendment in registration details can be earlier than the date of submission of the application for amendment only when the Commissioner orders the same for reasons to be recorded in writing:

Rule 19 of the CGST Rules, 2017 prescribes the provisions for amendment of particulars furnished in application for registration. The said rule has been amended to provide that any particular of the application for registration shall not stand amended with effect from a date earlier than the date of submission of the application for amendment on the common portal except with the order of the Commissioner for reasons to be recorded in writing and subject to such conditions as the Commissioner may, in the said order, specify.

[Notification No. 75/2017-CT, dated 29.12.2017]

w.e.f. 1st February 2019, The Central Government vide N No. 03/2019-CT, dated 29th January 2019 has amended CGST Rules, 2017 details of which are explained below:

	Revised	Comment
Omission of proviso to Rule 8 [Application for registration]:-	Provided that a person having a unit(s) in a Special Economic Zone or being a Special Economic Zone developer shall make a separate application for registration as a business vertical distinct from his other units located outside the Special Economic Zone.	Therefore, Special Economic Zone developer is no more required to take separate registration as a business vertical distinct from his other units located outside the Special Economic Zone. Please note that SEZ who's supplies may be included in the returns along with non-SEZ supplies, all supplies 'to or by' SEZ continue to be inter-State supplies.

Registered person required to issue revised tax invoice and file first return for supplies during suspension period [Rule 21A of the CGST Rules] [Notification No. 49/2019-CT, dated 09.10.2019]

Rule 21A provides that once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, his registration shall remain suspended during pendency of the proceedings relating to cancellation of registration filed. Such person **shall not make any taxable supply** during the period of suspension and shall not be required to file any return [Rule 21A(3)].

An explanation has been inserted to this sub-rule (3) to rule 21A clarifying that 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.

Further, a new sub-rule (5) has been inserted in said rule to provide that 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.

Verification of the application and approval (w.e.f. 1-4-2020):

Vide NT No. 16/2020-CT, dated 23.03.2020: As per Rule 8(4A), The applicant shall, while submitting an application under sub-rule (4), with effect from **01.04.2020**, undergo authentication of Aadhaar number for grant of registration.

Provided that where a person, other than those notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, then the registration shall be granted only after physical verification of the principle place of business in the presence of the said person, not later than

60 days (w.e.f. 22-12-2020, 30 days) from the date of application, in the manner provided under rule 25 and the provisions of sub-rule (5) shall not be applicable in such cases (i.e. Deemed Registration).

The Central Government vide Notification No. 62/2020-Central Tax dated 20th August, 2020; has made the following amendments in the **Central Goods & Services Tax Rules, 2017** :-

<u>Rule</u>	<u>Amendments</u>
Rule 8: (Application for registration)	<u>Substitution of sub-rule (4A) wef 1st April, 2020:-</u> “(4A) Where an applicant, other than a person notified under sub-section (6D) of section 25, opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), with effect from 21st August, 2020, undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or fifteen days from the submission of the application in Part B of FORM GST REG-01 under sub rule (4), whichever is earlier.”
Rule 9: (Verification of the application and approval.)	<u>Amendments w.e.f 21st August, 2020:—</u> <u>(i) Substitution of proviso in sub-rule (1):—</u> in sub-rule (1), for the proviso, the following provisos shall be substituted, namely:— “Provided that where a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8 or does not opt for authentication of Aadhaar number, the registration shall be granted only after physical verification of the place of business in the presence of the said person, in the manner provided under rule 25: Provided further that the proper officer may, for reasons to be recorded in writing and with the approval of an officer not below the rank of Joint Commissioner, in lieu of the physical verification of the place of business, carry out the verification of such documents as he may deem fit.”; <u>(ii) Insertion of proviso in sub-rule (2):-</u> in sub-rule (2), before the Explanation, the following proviso shall be inserted, namely:— “Provided that where a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8 or does not opt for authentication of Aadhaar number, the notice in FORM GST REG-03 may be issued not later than twenty one days (w.e.f. 30 days) from the date of submission of the application.”; <u>(iii) in sub-rule (4), for the word, “shall”, the word “may” shall be substituted;</u> <u>(iv) Substitution of sub-rule (5):</u> for sub-rule (5), the following sub-rule shall be substituted, namely:— “(5) If the proper officer fails to take any action,— (a) within a period of three working days from the date of submission of the application in cases where a person successfully undergoes authentication of Aadhaar number or is notified under subsection (6D) of section 25; or (b) within the time period prescribed under the proviso to sub-rule (2), in cases where a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8; or (c) within a period of twenty one days from the date of submission of the application in cases where a person does not opt for authentication of Aadhaar number; or (d) within a period of seven working days from the date of the receipt of the clarification, information or documents furnished by the applicant under sub-rule (2), the application for grant of registration shall be deemed to have been approved.”.
Rule 25: (Physical verification of business premises in certain cases.)	<u>Insertion in Rule 25:-</u> with effect from 21st August, 2020, after the words “failure of Aadhaar authentication”, the words “or due to not opting for Aadhaar authentication” shall be inserted.

16.11 Cancellation (or suspension w.e.f. 1-2-2019) of GST Registration under Section 29 of the CGST Act, 2017:

The following persons are allowed to cancel a GST registration:

- (1) The registered person himself
- (2) By a GST officer
- (3) The legal heir of the registered person

16.11.1(1) Cancellation by the registered person himself Section 29(1):

Registered person under GST can himself/herself cancel their registration in any one of the following cases:

- Business has been discontinued.
- The business has been sold or transferred to some other party. That other party needs to register under GST.
- There is any change in the constitution of the business (like Partnership firm now converted into Private Limited Company and so on).
- Turnover is not more than ₹40 or ₹20 lakh or ₹10 lakh in the case may be.
- As per Finance Act, 2020, Voluntary registration can be cancelled by proper officer on own or on application by registered person or his legal heir.

As per the Finance Act, 2018 (w.e.f. 1-2-2019), the following proviso shall be inserted under section 29(1), namely:—

“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”.

16.11.2(2) Cancellation by a GST officer Section 29(2):

GST registration of a person or business can be cancelled by a proper GST officer in one of the following cases:

- If the registered person has violated any of GST provisions or laws.
- W.e.f. 1st October 2022, A composition registered person has not furnished the return for a financial year beyond 3 months from the due date of furnishing of the said return as against the earlier provision which provided non-filing for 3 consecutive tax periods.
- W.e.f. 1st October 2022, A normal registered person (other than composition scheme) who is required to file return:

Monthly	not furnished for a continuous period of 6 months in case of regular taxpayers
Quarterly	not furnished for a continuous period of 2 tax periods in case of QRMP scheme.

- A voluntarily registered person who has not commenced any business in the six months from the registration date.
- If the registration is obtained by fraud methods, the proper officer has the right to cancel the registration with retrospective effect.
 - W.e.f. 1-1-2021 (vide NT 94/2020-CT, dated 22-12-2020)
- If a registered person avails input tax credit in violation of the provisions of section 16 of the Act or rules made thereunder or
- If a registered person furnishes details of outward supplies in FORM GSTR-1 for one or more tax periods in excess of outward supplies declared in GSTR-3B
- If a registered person violates provisions of newly inserted rule 86B (i.e. restriction on the use of ITC while discharging output liability)

Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.

W.e.f. 1-1-2021 (vide NT 94/2020-CT, dated 22-12-2020)

No opportunity of being heard – Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled, he may without affording 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.

Where the GST registration of a taxable person has been suspended neither the taxpayer/recipient nor the transporter will be able to generate E-way bill.

As per the Finance Act, 2018 (to be notified), the following proviso shall be inserted under section 29(2), namely:—

after the proviso, the following proviso shall be inserted, namely:— “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.”.

w.e.f. 1st February 2019, The Central Government vide *N No. 03/2019-CT, dated 29th January 2019* has amended CGST Rules, 2017 details of which are explained below:

	Revised	Comment
Insertion of Rule 21A [Suspension of registration]:	<p>(1) Where a registered person has applied for cancellation of registration under rule 20, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later.</p> <p>(2) Where the proper officer has reasons to believe that the registration is liable to be cancelled under section 29 or under rule 21, he may, after affording 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</p> <p>(3) A registered person, whose registration has been suspended shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39.</p> <p>(4) The suspension of registration under sub-rule (1) or sub-rule (2) shall be deemed to be revoked upon completion of the proceedings by the proper officer under rule 22 and such revocation shall be effective from the date on which the suspension had come into effect.</p>	<i>With this insertion, where cancellation is applied but continues to appear online, please ensure that suspension order is obtained to avoid late fee. The exemption from late fee is only in respect of returns upto Sept 2018.</i>

W.e.f. 1-1-2021 (*vide* NT 94/2020-CT, dated 22-12-2020)

Suspension of Registration in special cases – Registration of a taxpayer can be suspended in the following cases:

- where there is a significant difference or anomaly between outward supplies in GSTR 1 and GSTR 3B
- where there is a significant difference or anomaly between GSTR2A and GSTR 3B This should result in any contraventions to the provisions of the Act or the rules thereunder. Further to such suspension, an intimation shall be send to the taxpayer in his e-mail ID requiring him to explain within 30 days as to why his registration shall not be cancelled.

Restrictions in case of Suspension of GST registration- A registered person whose registration has been cancelled can neither make any taxable supplies nor shall be granted refund.

Removal of suspension before completion of proceeding- The proper officer shall now have the option to revoke the suspension of registration anytime during the pendency of proceedings for cancellation.

CBIC issued a clarification titled “MYTHS VS FACTS” in regard to GST registration cancellations and other steps taken for plugging tax evasion:

Myth 1: No opportunity of being heard will be given if the proper officer believes that registration is liable to be cancelled.

Fact 1: GST registration is liable to be cancelled for those who have not filed 6 or more returns. It is, therefore, wrong to say that the cancellation will be done without reasons. To protect the interest of revenue, this provision has been put in the law so that fraudsters do not runaway with GST collected from their customers.

No cancellation of registration would be done without giving the proper opportunity of hearing to the taxpayer.

Immediate action for suspension is necessary in cases where unscrupulous operators seek to pass on huge fake credit by gaming the system. Such action will not affect genuine taxpayers and will provide them with a level playing field.

Moreover, the suspension may be revoked by the officer based on the taxpayer’s representation.

Myth 2: Even if there is a clerical error in filing returns, GSTIN will be cancelled. No option to correct your mistakes.

Fact 2: This is absolutely not true. Only in fraudulent cases where there are significant discrepancies based on data analytics and sound risk parameters, and not mere clerical errors, the action of suspension and cancellation will be taken up.

An example of a fraudulent case and serious discrepancy is where one has passed on Crores of Rupees of Input Tax Credit and not filed GSTR3B returns, nor has he filed Income Tax returns or disclosed very little liability in Income Tax returns etc.

Myth 3: The proposed change will impact the ease of doing business.

Fact 3: Not True. Fraudsters are misusing the system to the detriment of the interest of genuine taxpayers.

Consequently, data-driven targeting of the fraudsters is the need of the hour. The data is being collected from Income Tax, Banks, Customs and necessary matching are being done to identify fraudsters and take action of suspension and cancellation after following due process of law.

16.11.2a Section 29(3) of the CGST Act, 2017, 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.

16.11.2b Section 29(4) of the CGST Act, 2017, 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.

16.11.2c Section 29(5) 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:

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.

Example: M/s Royal Ltd. have been applied for cancellation of registration and the same is effective from 15th November 2017. Following information is supplied on 14th November 2017:

- (i) The inputs costing ₹1,44,720 are lying in stock (GST paid 12%).
- (ii) The inputs costing ₹77,184 are in process (GST paid 12%).
- (iii) The finished goods valuing ₹4,82,400 are in stock, the input cost is 50% of the value. Royal Ltd. also purchased capital goods for ₹2,00,000 by paying GST 28% (invoice dated 10th July 2017).

GST payable on inputs and finished goods as on the date of cancellation is ₹2,79,104.

GST payable on capital goods is ₹16,000.

How much royal Ltd. has to pay an amount, by way of electronic cash as on 14th November 2017.

Answer: Statement showing amount to be paid by Royal Ltd. as on 14th November 2017

S. No.	Particulars	Amount to be paid (₹)	Workings
(i)	Inputs lying in stock	17,366	₹1,44,720 x 12/100 = ₹17,366
(ii)	Inputs in process (i.e. Work in Progress)	9,262	₹77,184 x 12/100 = ₹9,262
(iii)	Inputs contained in finished goods lying in stock	28,944	₹4,82,400 x 50% x 12/100 = ₹28,944
	Amount to be paid by Royal Ltd.	55,572	Whichever is higher
		Or	
	GST payable on supply of inputs and finished goods	2,79,104	
	Therefore, amount payable is	2,79,104	

S. No.	Particulars	Amount to be paid (₹)	Workings
	Capital goods	51,333	Useful life as per rule 44(1)(b) = 5 years (i.e. 60 months). No. of months capital goods have been in use = 4months 5 days (i.e. 5 months) The useful remaining life in months = 55 months 2,00,000 x 28% x 55/60 = ₹51,333

S. No.	Particulars	Amount to be paid (₹)	Workings
		Or	Whichever is higher
	GST payable on Capital goods	16,000	
	Therefore, amount payable is	51,333	

16.11.3(3) The legal heir of the registered person:

The legal heir of the registered person can request cancellation through an application, in case of death of the person.

16.11.4 Procedure for cancellation of registration under GST

GST registration can be cancelled by using the forms below.

Particulars	Relevant Form
Application for cancellation	GST REG 16
A proper officer can send the show cause/cancellation notice to a registered person	GST REG 17
The concerned person must reply back in this form within 7 days of notice explaining why his/her registration should not be cancelled	GST REG 18
This form will be used by the proper officer to issue a formal order for cancellation of registration. The order is to be sent within 30 days from the application date or from the date of response in GST REG 18 form.	GST REG 19
If the proper officer is satisfied with the explanation, he can use this form to drop the cancellation proceeding and pass a formal order.	GST REG 20
Application for cancellation of provisional registration by the migrated taxpayer, who is not liable for registration under GST. Note: The voluntary registrations can only be cancelled after one year or more from the date of GST registration. w.e.f. 25-1-2018 Taxable persons who have obtained voluntary registration will now be permitted to apply for cancellation of registration even before the expiry of one year from the effective date of registration. Taxpayer can Login with credentials, click on link "Cancellation of Provisional Registration" at the Dashboard (under view profile), mention reason, sign and Submit. The cancellation will be effective from appointed date.	GST REG 29

As per Rule 21A(3) of the CGST Rules, 2017 (vide NT 49/2019-Central Tax, dated 9-10-2019):

"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.";

As per Rule 21A(5) of CGST Rules, 2017 Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply."

16.11.5 Revocation of cancellation of registration Section 30 of the CGST Act, 2017:

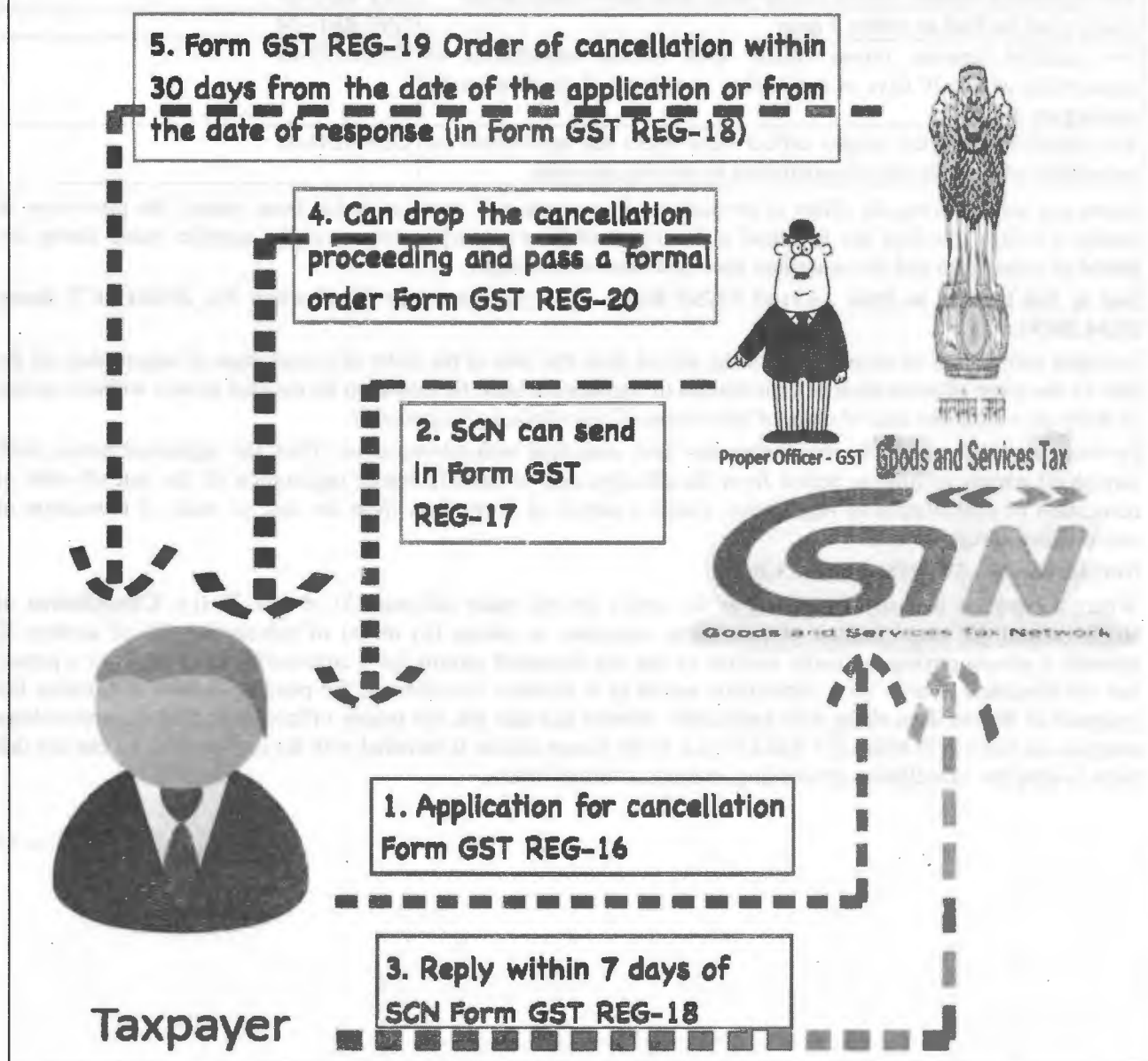
As per section 30(1) of the CGST Act, 2017, subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within **30 days** from the date of service of the cancellation order.

As per section 30(2) of the CGST Act, 2017, 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:

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.

As per Section 30(3) of the CGST Act, 2017, 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.

Procedure for cancellation of registration under GST:



16.11.5a Procedure for Revocation of Cancellation of registration as per Rule 23 of the CGST Rules, 2017:

Particulars	Relevant Form
<p>Application for revocation of cancellation of registration within 30 days from the date of service of the order of cancellation of registration.</p> <p>As per Finance Act, 2020: Provided that such period may on sufficient cause being shown, and for reasons to be recoded in writing, be extended</p> <p>(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding 30 days.</p> <p>(b) by the Commissioner, for a further period not exceeding 30 days, beyond the period specified in clause (a).</p>	<p>GST REG-21</p> <p><i>Note:</i> Application for revocation cannot be filed if cancellation is on account of failure to furnish returns or failure to pay liability unless such return is filed/liabilities are discharged.</p>
For justified reasons, proper officer shall revoke cancellation of registration within 30 days of application or receipt of clarification by passing an order	GST REG-22

Particulars	Relevant Form
For unjustified reasons, proper officer shall issue show cause notice	GST REG-23
Reply shall be filed in within 7 days.	GST REG-24
For justified reasons, proper officer shall revoke cancellation of registration within 30 days of application or receipt of clarification by passing an order.	GST REG-22
For unjustified reasons, proper officer shall reject the application for revocation of cancellation of registration by passing an order.	GST REG-05

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.

2nd & 3rd Proviso to Rule 23(1) of CGST Rules, 2017 (Inserted vide Notification No. 20/2019-CT, dated 23.04.2019):

Provided further that all returns due for the period from the date of the order of cancellation of registration till the date of the order of revocation of cancellation of registration shall be furnished by the said person within a period of thirty days from the date of order of revocation of cancellation of registration:

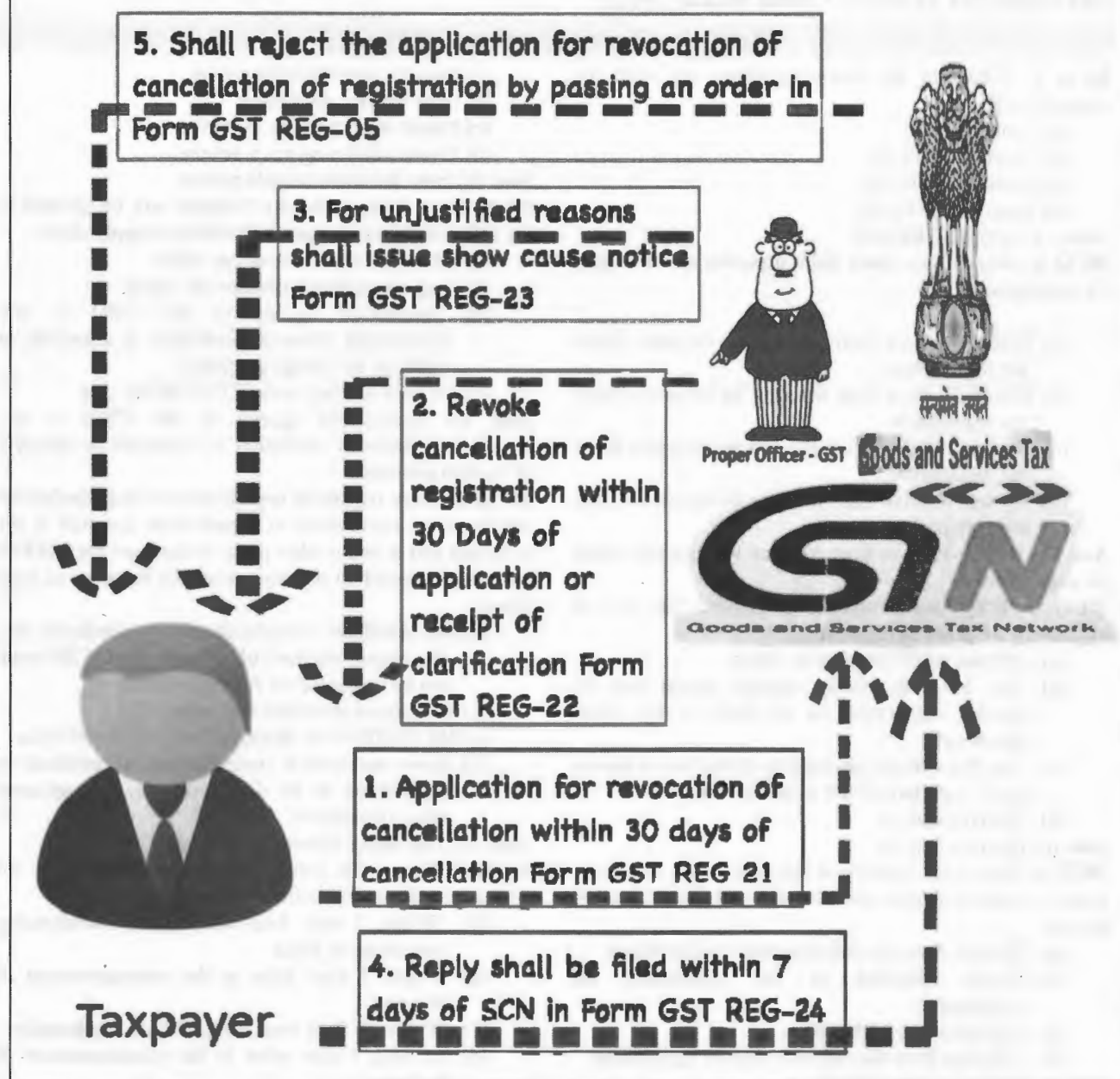
Provided also that where the registration has been cancelled with retrospective effect, the registered person shall furnish all returns relating to period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration within a period of thirty days from the date of order of revocation of cancellation of registration.

Notification No. 39/2018, dated 4.9.2018:

Where the person instead of replying to the notice served under sub-rule (1) of rule 22 (i.e. **Cancellation of Registration**) for contravention of provisions contained in clause (b) or (c) of sub-section (2) of section 29 (namely a person paying tax under section 10 has not furnished returns for 3 consecutive tax periods or a person has not furnished returns for a continuous period of 6 months) 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 in FORM GST-REG 20 (i.e. If the proper officer is satisfied with the explanation, he can use this form to drop the cancellation proceeding and pass a formal order).

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Procedure for Revocation of cancellation of registration under GST:



Note: Application for revocation cannot be filed if cancellation is on account of failure to furnish returns or failure to pay liability unless such return is filed/liabilities are discharged.

Extension of time limit for filing application for revocation of cancellation of registration by a registered person permitted beyond the stipulated time:

w.e.f. 1-10-2021, the registered person, whose registration is cancelled by the proper officer on his own motion, may submit an application for revocation of cancellation of registration, in prescribed form, to such proper officer, within a period of 30 days from the service of the order of cancellation of registration,

On sufficient cause being shown, and for reasons to be recorded in writing, be extended,

- by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding 30 days;
- by the Commissioner, for a further period not exceeding 30 days, beyond the period specified in clause (a)

Insertion of 2nd proviso in rule 21A(4) (**Automatic revocation**): There will be automatic revocation of suspended GST registration upon furnishing of pending GST returns, if GST registration was suspended due to non-filing of GST returns (NT 14/2022-CT, dated 5th July, 2022).