# Registration under GST Law

**Need and advantages of registration**

Registration will confer the following advantages to a taxpayer:

* The business is legally recognized as a registered supplier of goods or services.
* The business is legally authorized to collect tax from its customers and pass on the credit of the taxes paid on the goods or services supplied to the purchasers/ recipients.
* The business can claim input tax credit of taxes paid and can utilize the same for payment of taxes due on supply of goods or services.
* Seamless flow of Input Tax Credit from suppliers to recipients at the national level.

**Liability to register**

**the registration is mandatory**.

* If the supply turnover of goods is more than INR 40 Lakhs.
* If the supply turnover of services is more than INR 20 Lakhs

* Further a unit in SEZ or a SEZ developer needs to necessarily obtain separate registration.
* A person receiving supplies on which tax is payable by recipient on reverse charge basis
* A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)
* Input service distributor
* The registratio n in GST is PAN based and State specific.
* In GST registration, the supplier is allotted a 15-digit GST identification number called “GSTIN”
* A certificate of registration incorporating therein this GSTIN is made available to the applicant on the GSTN common portal.
* The first 2 digits of the GSTIN is the State code, next 10 digits are the PAN of the legal entity, the next two digits are for entity code, and the last digit is check sum number
* In respect of supplies to some notified agencies of United Nations organisation, multinational financial institutions and other organisations, a centralised unique identification number (UIN) is issued.
* Voluntary registration can also be done by the taxpayer without the threshold limit achieved.

##### Standardisation of procedures

* A total of 30 forms / formats have been prescribed in the GST registration rules.
* For every process in the registration chain such as application for registration, acknowledgment, query, rejection, registration certificate, show cause notice for cancellation, reply, cancellation, amendment, field visit report etc., there are standard formats.
* This makes the process uniform all over the country.
* Strict timelines have been stipulated for completion of different stages of registration process.
* An application has to be submitted online through the common portal (GSTN) within thirty days from the date when liability to register arose.

Amendment of Registration

* Except for the changes in some core information in the registration application, a taxable person is able to make amendments without requiring any specific approval from the tax authority.
* In case the change is for legal name of the business, or the State of place of business or additional place of business, the taxable person will apply for amendment within 15 days of the event necessitating the change.
* The proper officer, then, will approve the amendment within next 15 days. For other changes like name of day-to-day functionaries, e-mail Ids, Mobile numbers etc. no approval of the proper officer is required, and the amendment can be affected by the taxable person on his own on the common portal.
* Generally, the amendments take effect from the date of application for amendment. Commissioner, however, has been given powers to permit amendments with retrospective effect.

##### Cancellation of Registration

* The GST law provides for two scenarios where cancellation of registration can take place;
* the one when the taxable person no more requires it (voluntary cancellation),
* and another when the proper officer considers the registration liable for cancellation in view of certain specified defaults (Suo-motu cancellation) like
* when the registrant is not doing business from the registered place of business or
* if he issues tax invoice without making the supply of goods or services.
* The taxable person desirous of cancellation of Registration will apply on the common portal within 30 days of event warranting cancellation.
* He will also declare in the application the stock held on the date with effect from which he seeks cancellation.
* He will also work out and declare the quantum of dues of payments and credit reversal, and the particulars of payments made towards discharge of such liabilities.
* In case of voluntary registration (taken despite not being liable for obtaining registration), no cancellation is allowed until expiry of one year from the effective date of registration.
* If satisfied, the proper officer has to cancel the registration within 30 days from the date of application or the date of reply to notice (if issued, when rejection is concluded by the officer).

##### Revocation of Cancellation

* In case where registration is cancelled *Suo-motu* by the proper officer, the taxable person can apply within 30 days of service of cancellation order, requesting the officer for revoking the cancellation ordered by him.
* However, before so applying, the person has to make good the defaults (by filing all pending returns, making payment of all dues and so) for which the registration was cancelled by the officer.
* If satisfied, the proper officer will revoke the cancellation earlier ordered by him.
* However, if the officer concludes to reject the request for revocation of cancellation, he will first observe the principle of natural justice by way of issuing notice to the person and hearing him on the issue.
* Nowadays these procedures are automatically done. This means that if the default is made good by filing the returns and payment of taxes, the registration is automatically restored on the portal.

**Physical verification in connection with registration**

* Physical verification is resorted to only where it is found necessary in the subjective satisfaction of the proper officer.
* If at all, it is felt necessary, it is undertaken only after granting the registration and the verification report along with the supporting documents and photographs are to be uploaded on the common portal within fifteen working days.

## **Registration under GST Law: Need, Benefits & Compliance**

### **1. Need and Advantages of GST Registration**

GST registration is a crucial compliance requirement for businesses engaged in the supply of goods and services. Registering under GST offers multiple advantages, including:

* **Legal Recognition:** The business is officially recognized as a registered supplier of goods/services.
* **Tax Collection Authority:** Enables the business to collect GST from customers and issue tax invoices.
* **Input Tax Credit (ITC):** Allows the business to claim credit for GST paid on purchases and utilize it against GST liability.
* **Nationwide ITC Flow:** Ensures seamless credit flow from suppliers to recipients, reducing cascading tax effects.
* **Competitive Advantage:** GST registration improves business credibility with vendors, customers, and stakeholders.

### **2. Mandatory Registration Requirements**

GST registration is compulsory under the following conditions:

* **Turnover Thresholds:**
  + INR **40 Lakhs** for supply of goods.
  + INR **20 Lakhs** for supply of services. (Lower limits apply in special category states.)
* **Specific Cases Requiring Mandatory Registration:**
  + Persons making **interstate taxable supplies**.
  + **SEZ units or SEZ developers** (requires separate registration).
  + Persons liable to pay tax under **Reverse Charge Mechanism (RCM)**.
  + **Agents** supplying on behalf of other taxable persons.
  + **Input Service Distributors (ISD)**.
  + E-commerce operators and those supplying through them.
  + Non-resident taxable persons making taxable supplies.
* **PAN-based and State-specific:** Each registration is tied to the PAN of the legal entity and the specific state of operation.
* **GSTIN (GST Identification Number):** A 15-digit unique number is allotted post-registration:
  + First 2 digits: State code
  + Next 10 digits: PAN
  + Next 2 digits: Entity code
  + Last digit: Checksum
* **UIN for Special Entities:** Unique Identification Number is provided to notified UN agencies, multilateral organizations, etc.
* **Voluntary Registration:** Taxpayers may opt for registration even if below the turnover threshold, to avail ITC and expand business opportunities.

### **3. Standardized Procedures**

* The GST registration process is standardized nationwide with **30 prescribed forms**.
* Each stage—application, acknowledgment, verification, certificate issuance, amendment, cancellation, etc.—has designated formats.
* **Timelines:**
  + Application must be filed within **30 days** of becoming liable.
  + Applications are processed and approved within defined periods to ensure time-bound service delivery.
* **Online Process:** Entire registration process is done through the **GSTN common portal**.

### **4. Amendment of Registration**

* Amendments are categorized into:
  + **Core fields** (e.g., legal name, principal place of business) – require approval.
  + **Non-core fields** (e.g., contact details, authorized signatories) – self-service changes allowed.
* Amendments must be applied for within **15 days** of the triggering event.
* Effective date of amendment is generally the application date unless the Commissioner allows retrospective effect.

### **5. Cancellation of Registration**

**A. Voluntary Cancellation:**

* When a registered person ceases to conduct business or no longer requires registration.
* Application must be submitted within **30 days** of the event.
* Stock details, tax dues, and ITC reversals must be disclosed.

**B. Suo-motu Cancellation:**

* Initiated by the tax officer in case of:
  + Non-operation from the registered address.
  + Issuing invoices without actual supply.
* Cancellation order must be passed within **30 days** of the application or response to notice.
* Note: Voluntary registrants cannot cancel within **1 year** of registration.

### **6. Revocation of Cancellation**

* Applicable only when registration is **cancelled suo-motu** by the officer.
* Taxpayer must:
  + Rectify defaults (file returns, pay taxes).
  + Apply for revocation within **30 days** of the cancellation order.
* If conditions are fulfilled, registration may be restored automatically.
* If revocation is to be denied, **natural justice** (notice and hearing) is ensured before rejection.

### **7. Physical Verification**

* Physical verification is **exception-based** and undertaken **only if warranted** by the officer’s discretion.
* Conducted **post-registration**, and a verification report with photographs and documents is uploaded on the portal within **15 working days**.

This structured approach helps taxpayers and professionals better understand the legal framework and practical process of GST registration, compliance, and its operational nuances.