

Registration under the Goods and Service Tax Law

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Introduction

What is GST Registration ?

Registered taxable person will be allotted for each State/ UT having business places a PAN-based 15-digit GST Identification Number (GSTIN) as per the structure

Any supplier who carries on any business at any place in India & whose aggregate turnover exceeds Rs.20 lakhs in a financial year is liable to get himself registered and obtain GSTIN. However, the said limit is reduced to Rs 10 lakhs to the states specified in Article 279A (4)(g) of the constitution viz. Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand.

The “Aggregate Turnover” means total turnover of a person having the same PAN in respect of the following: (i) All taxable supplies including interstate supplies (ii) Exempt supplies (iii) Exports of goods and/or service

Persons who are required to be registered only when their Aggregate Turnover in a Financial Year exceeds threshold limit - Section 23 (1) read with Schedule V

- As per the provisions of Section 23 (1) Every person who is liable to be registered under Schedule V of this Act shall apply for registration in every such state in which he is so liable within 30 days from the date on which he becomes liable for registration subject to the procedure prescribed in GST Registration Rules.
- The key words used are “in every such state in which he is so liable” “within 30 days of becoming liable for registration”.
- As per the said schedule, Every supplier shall be liable to be registered under this act in the state from where he makes taxable supply of goods or services if his aggregate turnover in a financial year exceeds Rs. 20,00,000 (Rs. 10,00,000 in case of north eastern states)

- Aggregate Turnover has been defined to mean the aggregate value of all taxable supplies, exempt supplies, exports of goods and/or services and inter-State supplies of a person having the same PAN, to be computed on all India basis and excludes taxes, if any, charged under the CGST Act, SGST Act and the IGST Act, as the case may be.
- Therefore a person's turnover in a financial year from all his branches, factories, depots or other places of business located across the country should not exceed Rs. 20 Lacks in order not to attract the provisions of the GST. In other words if his turnover on PAN India basis exceeds Rs. 20 Lacks in a Financial year he shall be liable to be registered as per the Schedule V.
- From the above it can be inferred that if a person's PAN India turnover exceeds Rs. 20 lacks then he should register in every state in which he has a place of business from where he is making taxable supplies. For example Mr. A is carrying on business of selling shoes and having showrooms in 20 states then he should get himself registered in all 20 states for the purpose of GST.

- If a person is having a marketing office in a particular state which does not make any taxable supplies, it is not required to be registered separately in that state. Registration is required in a particular state only when the place of business situated therein is making supply of goods or services.
- Please note here that the turnover includes taxable, exempted, exports and inter-state sales of goods or provision of services all put together. Let us take an example where Mr. X is engaged in provided exempted services of 17 lacks and taxable services of 5 lacks his aggregate turnover would be Rs. 22 lacks and he shall be covered by the provisions of the GST and he is required to register and comply with the GST Law.
- Another important point to be noted here is that as per Section 23(1) the person who is required to be registered as per Schedule V shall be liable to be registered within 30 days of him becoming liable for registration. Similar provisions appear even under the current indirect tax laws also. But what is the significance of this time limit of 30 days in GST?

Schedule V Para 6 categorically states that the following person are required to be registered irrespective of the threshold limit of Rs. 20 lacs:

- I. persons making any inter-State taxable supply,
- II. casual taxable persons,
- III. persons who are required to pay tax under reverse charge,
- IV. persons who are required to pay tax under sub-section (4) of section 8 (tax on specified services provided through ECO),
- V. non-resident taxable persons,
- VI. persons who are required to deduct tax under section 46, whether or not separately registered under this Act;
- VII. persons who are required to collect tax under 56,

- VIII. persons who supply goods and/or services on behalf of other taxable persons whether as an agent or otherwise;
- IX. input service distributor, whether or not separately registered under the Act;
- X. persons who supply goods and/or services, other than supplies specified under sub-section (4) of section 8 , through such electronic commerce operator who is required to collect tax at source under section 56,
- XI. every electronic commerce operator,
- XII. every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered taxable person – refer Section 12, Section 10 IGST Therefore the above mentioned persons shall get themselves registered and pay GST whether or not their Aggregate Turnover in a financial year exceeds Rs. 20 lacks.

Persons who are not required to be registered under the GST Law – Para 2 of Schedule V

- I. Persons who are exclusively engaged in the business of supplying good are or services which are wholly exempted from GST;
- II. An Agriculturist.

What are advantages of taking registration in GST?

Registration under Goods and Service Tax (GST) regime will confer following advantages to the business:

- (i) Legally recognized as supplier of goods or services.
- (ii) Proper accounting of taxes paid on the input goods or services which can be utilized for payment of GST due on supply of goods or services or both by the business.
- (iii) Legally authorized to collect tax from his purchasers and pass on the credit of the taxes paid on the goods or services supplied to purchasers or recipients.

Structure of Registration Number

Here is a format break-down of the GSTIN:

- The first two digits represent the state code as per Indian Census 2011. Every state has a unique code. For instance,
 - State code of Karnataka is 29
 - State code of Delhi is 07
- The next ten digits will be the PAN number of the taxpayer
- The thirteenth digit will be assigned based on the number of registration within a state
- The fourteenth digit will be Z by default
- The last digit will be for check code. It may be an alphabet or a number.

Application for Registration

- (1) Every person, other than a non-resident taxable person, a person required to deduct tax at source under section 51, a person required to collect tax at source under section 52 and a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) who is liable to be registered under sub-section (1) of section 25 and every person seeking registration under sub-section (3) of section 25 (hereafter in this Chapter referred to as “the applicant”) shall, 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:
- 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:
- Provided further that every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.

- (2) (a) The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes.
- (b) The mobile number declared under sub-rule (1) shall be verified through a onetime password sent to the said mobile number; and
- (c) The e-mail address declared under sub-rule (1) shall be verified through a separate one-time password sent to the said e-mail address.
- (3) On successful verification of the Permanent Account Number, mobile number and email address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.
- (4) Using the reference number generated under sub-rule (3), 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.
- (5) On receipt of an application under sub-rule (4), an acknowledgement shall be issued electronically to the applicant in FORM GST REG-02.
- (6) A person applying for registration as a casual taxable person shall be given a temporary reference number by the common portal for making advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) shall be issued electronically only after the said deposit.

Verification of the Application and Approval

- (1) The application shall be forwarded to the proper officer who shall examine the application and the accompanying documents and if the same are found to be in order, approve the grant of registration to the applicant within a period of three working days from the date of submission of the application.
- (2) Where the application submitted under rule 8 is found to be deficient, either in terms of any information or any document required to be furnished under the said rule, or where the proper officer requires any clarification with regard to any information provided in the application or documents furnished therewith, he may issue a notice to the applicant electronically in FORM GST REG-03 within a period of three working days from the date of submission of the application and the applicant shall furnish such clarification, information or documents electronically, in FORM GST REG-04, within a period of seven working days from the date of the receipt of such notice.
- *Explanation.-* For the purposes of this sub-rule, the expression “clarification” includes modification or correction of particulars declared in the application for registration, other than Permanent Account Number, State, mobile number and e-mail address declared in Part A of FORM GST REG-01.

- (3) Where the proper officer is satisfied with the clarification, information or documents furnished by the applicant, he may approve the grant of registration to the applicant within a period of seven working days from the date of the receipt of such clarification or information or documents.
- (4) Where no reply is furnished by the applicant in response to the notice issued under sub-rule (2) or where the proper officer is not satisfied with the clarification, information or documents furnished, he shall, for reasons to be recorded in writing, reject such application and inform the applicant electronically in FORM GST REG-05.
- (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; or (b) 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.

Issue of Registration Certificate

- (1) Subject to the provisions of sub-section (12) of section 25, where the application for grant of registration has been approved under rule 9, a certificate of registration in FORM GST REG-06 showing the principal place of business and additional place or places of business shall be made available to the applicant on the common portal and a Goods and Services Tax Identification Number shall be assigned subject to the following characters, namely:-
 - (a) two characters for the State code;
 - (b) ten characters for the Permanent Account Number or the Tax Deduction and Collection Account Number;
 - (c) two characters for the entity code; and
 - (d) one checksum character.
- (2) The registration shall be effective from the date on which the person becomes liable to registration where the application for registration has been submitted within a period of thirty days from such date.

- (3) Where an application for registration has been submitted by the applicant after the expiry of thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of the grant of registration under sub-rule (1) or sub-rule (3) or sub-rule (5) of rule 9.
- (4) Every certificate of registration shall be duly signed or verified through electronic verification code by the proper officer under the Act.
- (5) Where the registration has been granted under sub-rule (5) of rule 9, the applicant shall be communicated the registration number, and the certificate of registration under sub-rule (1), duly signed or verified through electronic verification code, shall be made available to him on the common portal, within a period of three days after the expiry of the period specified in sub-rule (5) of rule 9.

Suo Moto Registration(Rule 16)

- (1) Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in FORM GST REG- 12.
- (2) The registration granted under sub-rule (1) shall be effective from the date of such order granting registration.
- (3) Every person to whom a temporary registration has been granted under sub-rule (1) shall, within a period of ninety days from the date of the grant of such registration, submit an application for registration in the form and manner provided in rule 8 or rule 12:
 - Provided that where the said person has filed an appeal against the grant of temporary registration, in such case, the application for registration shall be submitted within a period of thirty days from the date of the issuance of the order upholding the liability to registration by the Appellate Authority.
 - (4) The provisions of rule 9 and rule 10 relating to verification and the issue of the certificate of registration shall, mutatis mutandis, apply to an application submitted under sub-rule (3).
 - (5) The Goods and Services Tax Identification Number assigned, pursuant to the verification under sub-rule (4), shall be effective from the date of the order granting registration under sub-rule (1).

Display of Registration Certificate and Goods and Services Tax Identification Number on the Name Board

- (1) Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.
- (2) Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.

Application for Cancellation of Registration

- A registered person, other than a person to whom a registration has been granted under rule 12 or a person to whom a Unique Identity Number has been granted under rule 17, seeking cancellation of his registration under sub-section (1) of section 29 shall electronically submit an application in FORM GST REG-16, including therein the details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock and of capital goods held in stock on the date from which the cancellation of registration is sought, liability thereon, the details of the payment, if any, made against such liability and may furnish, along with the application, relevant documents in support thereof, at the common portal within a period of thirty days of the occurrence of the event warranting the cancellation, either directly or through a Facilitation Centre notified by the Commissioner: Provided that no application for the cancellation of registration shall be considered in case of a taxable person, who has registered voluntarily, before the expiry of a period of one year from the effective date of registration.

Registration to be Cancelled in Certain Cases

The registration granted to a person is liable to be cancelled, if the said person,-

- (a) does not conduct any business from the declared place of business; or
- (b) issues invoice or bill without supply of goods or services in violation of the provisions of this Act, or the rules made there under; or
- (c) violates the provisions of section 171 of the Act or the rules made there under.

Cancellation of Registration

- (1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in FORM GST REG-17, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled.
- (2) The reply to the show cause notice issued under sub-rule (1) shall be furnished in FORM REG-18 within the period specified in the said sub-rule.
- (3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in FORM GST REG-19, within a period of thirty days from the date of application submitted under sub-rule (1) of rule 20 or, as the case may be, the date of the reply to the show cause issued under sub-rule (1), cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including the amount liable to be paid under subsection (5) of section 29.
- (4) Where the reply furnished under sub-rule (2) is found to be satisfactory, the proper officer shall drop the proceedings and pass an order in FORM GST REG –20. (5) The provisions of sub-rule (3) shall, mutatis mutandis, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.

Revocation of Cancellation of Registration

- (1) A 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 FORM GST REG-21, to such proper officer, within a period of thirty days from the date of the service of the order of cancellation of registration at the common portal, either directly or through a Facilitation Centre notified by the Commissioner: Provided that no application for revocation shall be filed, if the registration has been cancelled for the failure of the registered person to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns.
- (2) (a) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in FORM GST REG-22 within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant. (b) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in FORM GST REG-05, reject the application for revocation of cancellation of registration and communicate the same to the applicant.
- (3) The proper officer shall, before passing the order referred to in clause (b) of sub-rule (2), issue a notice in FORM GST REG-23 requiring the applicant to show cause as to why the application submitted for revocation under sub-rule (1) should not be rejected and the applicant shall furnish the reply within a period of seven working days from the date of the service of the notice in FORM GST REG-24.
- (4) Upon receipt of the information or clarification in FORM GST REG-24, the proper officer shall proceed to dispose of the application in the manner specified in sub-rule (2) within a period of thirty days from the date of the receipt of such information or clarification from the applicant.

Thank You