

Chapter - Registration under GST

Introduction

The provision of GST registration has been prescribed under chapter VI of the **CGST Act, 2017** and Section 22 to Section 30 of the CGST Act, deals with the registration by the every supplier of goods and services.

Advantages of Registration

1. Registration is a basic requirement to run the network of GST.
2. Registration is an Authority available to the Registered Person to collect tax on behalf of the Government.
3. Registration is a source by which the Registered Person can claim input Tax Credit.
4. Seamless flow of Input Tax Credit among the Registered Persons in national level is happened due to this Registration.
5. Registration is a tool for the Government. By this Tool the Government analysis the economy through data available in accounts of Registered Persons.

A. Liability to Register

1. According to Section to 22 (1) of the CGST Act, 2017

If the Supplier makes a **taxable supply** from his State or Union territory and his **aggregate turnover** in a financial year **exceeds twenty lakh rupees**, he shall be liable to be registered

Section 2 (6) of the Act for Aggregate Turnover – “aggregate turnover” means the 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 persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess.

Thus Aggregate Turnover is a total of turnover of all branches all over of India of the Supplier having same PAN.

Explanation to section 22 in regard of Aggregate Turnover: -

- (i) the expression “**aggregate turnover**” shall include all supplies made by the taxable person, whether on his own account or **made on behalf of all his principals**;
- (ii) the supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of **such goods shall not be included in the aggregate turnover of the registered job worker**;

Examples for Section 22(1)

- (i) The Supplier has two showrooms one in Delhi and other is in Haryana. He is making taxable as well as exempt supply from both showrooms. As on 22-10-2019 sale in Delhi was say Rs.888000.00 and sale in Haryana was say Rs.1200000.00. Total sale as on 22-10-2019 was Rs.2088000.00. Since the aggregate turnover exceeds Rs.20 lakh, the Supplier is liable to be registered in both states Delhi and Haryana.
- (ii) In above example the Supplier makes only exempt supply from Haryana Showroom and makes taxable as well as exempt supply from Delhi Showroom. As on 22-10-2019 detail of sale is as under:

Delhi – Rs. 888000.00 (Taxable and Exempt Supply)

Haryana – Rs. 1200000.00 (Only Exempt Supply)

The Supplier is liable to be registered in Delhi because he makes taxable supply and aggregate turnover exceeds Rs.20 lakh i.e. Rs.2088000.00.

The Supplier is not liable to be registered in Haryana even though aggregate turnover exceeds Rs.20 lakh because he is not making any taxable supply from the state of Haryana.

For Special Category States – Aggregate Turnover shall be ten lakh rupees in place of twenty lakh rupees.

The expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution except the State of Jammu and Kashmir and States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand.

2. **According to Section 22 (3) of the CGST Act, 2017** – Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, **the transferee or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.**
3. **According to Section 22 (4) of the CGST Act, 2017** – in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, **the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal.**

4. Compulsory registration in certain cases according to Section 24

The following categories of persons shall be required to be registered under this Act,—

- (i) persons making any inter-State taxable supply;
- (ii) casual taxable persons making taxable supply;
- (iii) persons who are required to pay tax under reverse charge;
- (iv) persons who are required to pay tax under sub-section (5) of section 9;
- (v) non-resident taxable persons 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 persons whether as an **agent*** or otherwise;
- (viii) Input Service Distributor, whether or not separately registered under this Act;
- (ix) persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;
- (x) every electronic commerce operator 8[who is required to collect tax at source under section 52];
- (xi) every person supplying online information and data base access or retrieval services from a 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 Government on the recommendations of the Council.

Agent* – See **Circular 57/2018-GST** and **Circular 73/2018-GST** for clarification in regard of Principal-Agent relationship and Del-Credere Agent.

B. Persons not liable for Registration – Section 23

1. According to section 23 (1)– The following persons shall not be liable to registration, namely:—

- (a) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act;
- (b) an agriculturist, to the extent of supply of produce out of cultivation of land.

2. **According to section 23 (2)** – Persons not liable for registration who have notified. List of Notified Persons from 01-07-2017 to 22-10-2019 is as under:

S.No.	Date	Notification No. of Central Registration Tax	*Persons exempted from obtaining
1	19-06-2017	<u>05/2017</u>	Persons who are only making supplies on which tax be paid by recipients under section 9 (3)
2	15-09-2017	<u>32/2017</u>	Casual taxable persons making taxable handicrafts goods. (This notification superseded by <u>Notification 56/2018</u>)
3	13-10-2017	<u>38/2017</u>	<u>Notification 32/2017</u> amended
4	15-11-2017	<u>65/2017</u>	Persons making supplies of services, other than supplies specified under subsection (5) of section 9 of the said Act through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act.
5	23-10-2018	<u>56/2018</u>	Casual Taxable Persons. This notification <i>supersede</i> <u>Notification 32/2017</u>
6	29-01-2019	<u>06/2019</u>	<u>Notification 65/2017</u> amended
7	07-03-2019	<u>10/2019</u>	Person having turnover upto 40 lakh. <i>See full Notification as under</i>
Notifications under IGST			
1	14-09-2017	<u>07/2017</u>	Job Workers exempted from registration subject to conditions. For conditions see notification
2	14-09-2017	<u>08/2017</u>	Supplier of Handicraft Goods (This notification superseded by <u>Notification 03/2018</u>)

3	13- 10- 2017	<u>10/2017</u>	Persons making inter-State supplies of taxable services and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of twenty lakh rupees in a financial year. Turnover for special category states is ten lakh rupees.
4	22- 10- 2018	<u>03/2018</u>	Supplier of Handicraft Goods. Fresh notification issued after superseded <u>notification 08/2017</u>

***See Notifications also to check conditions for persons, availing exemption clause, notified under section 23(2)**

Notification 10/2019 Central Tax Dated 29-01-2019:

Any person, who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed forty lakh rupees, except, –

- (a) persons required to take compulsory registration under section 24 of the said Act;
- (b) persons engaged in making supplies of the goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table;
- (iii) persons engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand; and
- (iv) persons exercising option under the provisions of sub-section (3) of section 25, or such registered persons who intend to continue with their registration under the said Act.

Table

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

This notification shall come into force on the 1st day of April, 2019.

C. Procedure for Registration

1. Section 25 (1) – Limitation period for apply for Registration for persons liable to be registered under section 22 or section 24 is to applied within thirty days from the date on which the person becomes liable to registration.

Proviso to Section 25(1) – Limitation period for apply for Registration for Casual Taxable Persons or Non-Resident Taxable Person is at least five days prior to the commencement of business.

2. Rule 8 for application Form GST REG-01 –

- a) Part A requires PAN, Mobile Number and E Mail ID
- b) After successful verification of PAN, mobile number and E Mail ID temporary reference number (TRN) is issued.
- c) Using TRN Part B can be submitted online.
- d) After successful submission of Part B an acknowledgement shall be issued electronically.
- e) **Bank Account Detail if not furnished in Registration Application – Rule 10A** – Furnish such detail of Bank 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.

3. Rule 9 for Verification and Approval of Application

- a) The Proper Officer shall approve the grant of registration within a period of three working days from the date of submission of the application.
- b) If the application submitted under rule 8 is found to be deficient 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.

c) 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.

d) 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.

4. Deemed registration if the Proper Officer fails to take any action within specified period:

a) **Section 25(12)** – A registration or a Unique Identity Number shall be deemed to have been granted after the expiry of the period prescribed under sub-section (10), if no deficiency has been communicated to the applicant within that period.

b) **Rule 9(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.**

Registration Certificate after Deemed Registration

c) **Rule 10 (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.

5. Effective Date of Registration –

a) **Rule 10 (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.

b) **Rule 10 (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.

6. Rule 13 for Non Resident Taxable Person –

- a) In place of PAN such person shall electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code, in FORM GST REG-09, at least five days prior to the commencement of business.

Provided that in the case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number, if available.

- b) Authorised Signatory shall be a person resident in India having a valid Permanent Account Number. [Rule 13(4)]

7. Special provisions relating to casual taxable person and non-resident taxable person – Section 27 of CGST Act, 2017.

- a) **Validity Period of Registration** – The certificate of registration issued shall be valid for the period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier. It may be further extended for a period not exceeding ninety days.

Circular 71/2018 – It has been clarified that if the Casual Taxable Person needs registration for period more than 180 days then such person would be required to obtain registration as a normal taxable person.

b) Advance Deposit of Tax –

Section 27 (2) – A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (1) of section 25, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought:

Provided that where any extension of time is sought under subsection (1), such taxable person shall deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.

Circular 71/2018 – It has been clarified that 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.

Advance Tax will be estimated net tax liability.

- c) **Utilisation of Advance Tax** – This amount may be used for making payment towards output tax liability in the manner provided under section 49.

8. Provisions for United Nation Organisation or Embassy of Foreign Countries etc..

Section 25 (9) read with Rule 17 –

- a) Such person may submit application in form GST REG-13;
- b) The Proper Officer may assign a Unique Identity Number to the said person and issue a certificate in FORM GST REG-06 within a period of three working days from the date of the submission of the application.

D. Amendment of

Registration

– Section 28 read with

Rule 19 –

- a) **Amendment need when** any change in particulars furnished in registration application or as amended time to time:
- b) **Time period to file Amendment Application** is fifteen days from the date of change.
- c) **Application Form** is GST REG- 4.
- d) **Approval of the Proper Officer is required** where the change relates to –
 - legal name of business;
 - address of the principal place of business or any additional place(s) of business; or
 - addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for the day to day affairs of the business.
- e) **Approval Period** – a period of fifteen working days from the date of the receipt of the application in FORM GST REG-14.
- f) **Effected Date of Amendment** – From the date of the occurrence of the event warranting such amendment.
- g) **Approval Not Required of the Proper Officer** – where change relates to any particulars other than those specified in clause d) as above stated.
- h) **Effected Date of Amendment of particulars which do not require approval of the Proper Officer** – Shall stand amended upon submission of

the application in FORM GST REG-14 on the common portal.

i) **Change in Constitution** – where a change in the constitution of any business results in the change of the Permanent Account Number of a registered person, the said person shall apply for fresh registration in FORM GST REG-01.

j) The Proper Officer fails to take action within stipulated period –

If the proper officer fails to take any action,—

(a) within a period of fifteen 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 reply to the notice to show cause under sub-rule (3) for rule 19,

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

E. Cancellation or Suspension of Registration :-

1. Circumstances require cancellation [Section 29 (1)] –

(a) the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or

(b) there is any change in the constitution of the business; or

(c) the taxable person, other than the person registered under subsection (3) of section 25, is no longer liable to be registered under section 22 or section 24.

Applicants, for filing the cancellation application in the above cases, may be the Proper Officer or the Registered Person or the legal heir in the case of death of the registered person.

2. Cancellation in the case of Contravention of the Provisions of the Act [Section 29 (2)] –

The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,—

- (a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
- (b) a person paying tax under section 10 has not furnished returns for three consecutive tax periods; or
- (c) any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months; or
- (d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or
- (e) registration has been obtained by means of fraud, willful misstatement or suppression of facts:

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

3. Cancellation according to Rule 21 -

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 the Act, or the rules made thereunder; or
- (c) violates the provisions of section 171 of the Act or the rules made thereunder. (

section 171 about Anti Profiteering Measure)

- (d) violates the provision of rule 10A. (*rule 10A about furnish of Bank Detail after registration)*

4. Application Form for cancellation - GST REG-16

5. Apply period to file Cancellation Application - within a period of thirty days of the occurrence of the event warranting the cancellation.

6. Limitations for Voluntarily Registered Person -

- a) The Proper Officer may cancel the registration if such person has not commenced business within six months from the registration;

- b) According to proviso to Rule 20 – 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.

7. Effect on liability of the Person whose registration is cancelled –

Section 29 (3) – 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.

8. Dropped the cancellation proceedings initiated by the Proper Officer –

- a) Where the reply furnished is found to be satisfactory or
- b) Where the person instead of replying to the notice served under sub-rule (1) of rule 22 for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of section 29, furnishes all the pending returns and makes full payment of the tax dues along with applicable interest and late fee.

9. **Circular 69/43/2018 dated 26-10-18** – Detailed circular in regard of processing of applications for Cancellation of Registration.

F. Suspension of Registration Section 29 read with Rule 21A –

1. Suspension Period –

- a) **In the case of cancellation application filed the person** – *from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.*
- b) **In the case of cancellation proceedings initiated by the Proper Officer** – *from a date to be determined by the Proper Officer, pending the completion of the proceedings for cancellation of registration.*

2. **Restriction upon the suspended Registered Person** – *The registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension though he can make supply without issuing Tax Invoice and charging tax.*

3. **Supplies made during the period Suspension** – Provisions under section 31(3)(a) in regard of issue of Revised Invoice and provisions under section 40 in regard of declare of outward supplies in the return made during the suspended period shall apply.

G. Treatment of Input Tax Credit –

a) Stock pertain to Pre-Registration period –

Section 18(1)(a) – a person who has applied for registration under this Act within thirty days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act.

Section 18(1)(b) – a person who takes registration under sub-section (3) of section 25 shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration.

Conditions for above sections

Section 18(2) – A registered person shall not be entitled to take input tax credit under sub-section (1) in respect of any supply of goods or services or both to him after the expiry of one year from the date of issue of tax invoice relating to such supply.

- > The declaration in regard of claim of the above said input tax credit shall be made in form GST Form ITC-01.
- > **Rule 40(1)(d)** – The details furnished shall be duly certified by a practicing chartered accountant or a cost accountant if the aggregate value of the claim on account of Central tax, State tax, Union territory tax and integrated tax exceeds two lakh rupees.

b) Stock Available at the time of Cancellation of Registration –

- > **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.

The above amount of tax shall be determined according to manner prescribed in rule 44

(1) and shall be paid through Final Return in form GSTR-10. The final return (*see section 45 read with rule 81*) shall be filed within three months of the date of cancellation or date of order of cancellation, whichever is later.

c) Transfer of Input Tax Credit in case of death of the proprietor -

> Detailed [circular No.96/15/2019 dated 28-03-2019](#) is available in this matter.

1. Revocation of cancellation of

registration - Section 30 read with

rule 23 -

- 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 within thirty days from the date of service of the cancellation order.
- **Proviso to Rule 23** - 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.
- 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.

The application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being

heard.

H. Miscellaneous related to Registration-

- a) **SEZ unit in the same State or Union Territory** – The person 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.
- b) **Voluntary Registration** is allowed by virtue of Section 25 (3).
- c) **Distinct Persons – Section 25 (3)** – Branches of the person registered in the same state separately or registered in other state shall be treated as Distinct Persons for the purpose of the Act.
- d) **Sub-section 6A to sub-section 6D of section 25** have been introduced by the Finance (No. 2) Act, 2019, with effect from a date yet to be notified. The sections require authentication or proof of possession of the aadhaar number from the existing registered persons and from the person for eligible for grant of registration.
- e) **Display of registration certificate and GSTIN on the name board (Rule 18)-**
 - (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.
- f) **Physical verification of business premises (Rule 25)** – Where the proper officer is satisfied that the physical verification of the place of business of a registered person is required after the grant of registration, he may get such verification done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification.