

BCom Semester IV
C8- INDIRECT TAX AND GST
अप्रत्यक्ष कर और जीएसटी
Unit II

UNIT II REGISTRATION

PRESENTED BY B.COM SEMESTER - 4 STUDENTS

Unit II: Registration

- 1) Introduction to Registration
- 2) Threshold for Registration
- 3) Types of Tax Payers:
 - a. Regular Tax Payer
 - b. Composition Tax Payer
 - c. Casual Taxable Person
 - d. Non-Resident Taxable Person
- 4) Unique Identification Number (UIN)
- 5) Registration Number Format
- 6) Important Points related to Registration
- 7) Special Persons & Amendments / Cancellation of Registration

INTRODUCTION TO REGISTRATION

❖ Registration, in a general sense, refers to the formal process of enrolling or signing up for a particular service, program, or system. It involves providing necessary information and documents to establish an official relationship.

❖ IN TERMS OF GST :

Registration is a process that involve obtaining a unique **GST identification number (GSTIN)** from the government.

The registration enables business to collect and remit GST on their suppliers. The registration process involves submitting various documents, such as **proof of business , PAN card, bank account details, and more, to the GST authorities.** Once registration, business need to comply with GST regulations, file regular returns, and maintain proper records of their transaction.

INTRODUCTION TO REGISTRATION

Basics

As per charging section **taxable person** liable to collect tax



Who is taxable person??

- Any person who is registered or liable to registered u/s 22/24
Hence un registered person is taxable person if he is liable to register



So, who is liable to register??

- Section 22 person liable to register
- Section 24 compulsory registration



INTRODUCTION TO REGISTRATION

Other points

1. GST Registrations need to be taken **State-wise & PAN based**.
2. **Single registration for all the taxes** i.e. CGST/SGST/UTGST/IGST/Cesses.
3. Normally **one state one registration** is required **even \geq 2** place of business in a state

Advantages to a taxpayer who obtain registration under GST:

1. He is **legally recognized as supplier** of G/S.
2. He is **legally authorized to collect taxes** from customers & pass credit.
3. He **can claim Input Tax Credit** of taxes paid.
4. Registered person is **eligible to apply for Government bids**.
5. Registered person under GST **can easily gain trust from customers**.

SECTION 22 PERSON LIABLE FOR REGISTRATION

Every -supplier of goods/service **obtain registration**



Where-state from where taxable supply is made



When -if Agg. T/o exceed **specified limit** in a F.Y.

“Aggregate turnover”

All India basis of person having the same PAN

Total of outward supply of

- taxable supplies
- exempt supplies
- inter-State supplies
- exports of G/S



- Outward supply under RCM
- Supplies between distinct person
- Supply made on behalf of principle



THRESHOLD OF REGISTRATION

The threshold for registration refers to the **minimum level of turnover** or activity at which an **individual, business, or entity** become obligated to register for a specific program, system, or regulatory requirements. Different programs or regulations may have different thresholds.

For instance, in the context of Goods and services Tax (GST) in India, businesses are require to register for **GST if their aggregate turnover crosses a certain threshold limit**. The threshold for GST registration varied between states.

Threshold limit of Registration

The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under: -

- a) ₹ 20 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (a) ₹ 40 lakh for the rest of India.

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

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

SECTION 24 COMPULSARY REGISTRATION (hona hi pdega)

I 5 CREARTION

1. Persons making **Inter-State** taxable supply

Exception:

- a. Supply of taxable service up to 20/10 lakh
- b. Notified handicraft & handmade goods up to 20/10 lakh

2. Person required to pay tax under u/s **9(5)** ECO

3. **Casual** Taxable Persons (CTP) making taxable supply

Exception:

Notified handicraft & handmade goods up to 20/10 lakh

4. Person liable to pay tax under **RCM** (inward supply)

SECTION 23 PERSON NOT LIABLE FOR REGISTRATION

1. person engaged exclusively in **non-taxable/exempt supply** i.e. alcohol
2. agriculturist, to the extent of supply of produce from **cultivation of land**.
3. Persons making **only RCM supplies** (Suppliers).
4. person making **inter-State supplies of services** up to Rs. 20/10 lakhs
5. CTP/ Person making **interstate supplies of handicraft/handmade goods** up to 20/10 lakhs.

Condition: person obtained PAN & generated an e-way bill

6. Person making **supplies services through ECO** (other than u/s 9(5)) up to 20/10 lakhs.

TYPES OF TAX PAYER

In the Good and Services Tax (GST) system, taxpayers are categorized into different types based on their business activities and the way they need to comply with GST regulation. E.g.

Regular tax payer

Composition tax payer

Casual taxable person

Non-resident taxable person

Regular Tax Payer : This is most common category. Regular taxpayers are required to file regular GST returns and comply with various GST regulations. They need to collect GST on their supplies and can claim input tax credit on their purchases.

Casual Taxable person : Individuals or businesses that occasionally supply goods/services in a state where they don't have fixed place of business are considered casual taxable person. They need to register before starting their business activity.

Non – Resident Taxable Person : Similar to casual taxable persons, non-resident taxable persons are those who supply goods/services occasionally in India but do not have fixed place of business here.

Composition Taxpayer : Business with a turnover below a certain threshold can opt for the Composition Scheme. These taxpayer pay fixed % of their turnover as GST and are relieved from some of the compliance burdens. They cannot collect GST from customers or claim input tax credit.

“UNIQUE IDENTIFICATION NUMBER”

The unique identification number (UIN) is a special identification issued to certain entities or individuals under various tax systems, such as the Good and Services Tax (GST) system in India.

PURPOSE : The UIN is used to uniquely identify entities or individuals that are not residents of the country but are involved in specific activities that require them to interact with the local tax authorities.

USAGE : When entities with UIN make purchases in country, they provide their UIN to suppliers to indicate that the transaction is related to their specific status. This allows the supplier to process the transaction appropriately, considering the unique tax treatment for UIN holders.

APPLICABILITY : In the context of GST in India, UIN are typically issued to foreign diplomatic mission, consulates, embassies, and similar international organization, as well as their representatives. These entities are not subject to regular GST rules. But they might make certain purchases that are eligible for GST refund.

UIN [Unique identification number]

1) **Who**

- Specialized agency of United Nations/any Multilateral Financial Institution under UN
- Consulate
- Embassy

2) **PURPOSE**

- TO OBTAIN refund of taxes paid on supplies of G/S to them

3) **What**

- Centralized number not states wise (single Regn for entire India)
- UIN holder not registered person hence not taxable

4) **How to get it**

- Submission of application
 - +
- Recommendation from MEA & GOI
 - +
- Within 3 days of submission of application
UIN allotted

GST REFUND : UIN

holders can claim refund of GST paid on eligible purchase. The process for claiming these refunds involves submitting relevant documents to the tax authorities.

Difference from of GSTIN : The UIN is distinct from Good and Services Tax Identification NUMBER (GSTIN). GSTIN is issued to regular taxpayers for the purpose of GST registration, in while the UIN is issued for a specific purpose and caters to entities with non-resident or specialdiplomatic status.

Entities Eligible for UIN : UIN are typically issued to foreign diplomatic mission, consulates, embassies, and international organizations recognized under international law. These entities are not considered regular taxpayers under GST.

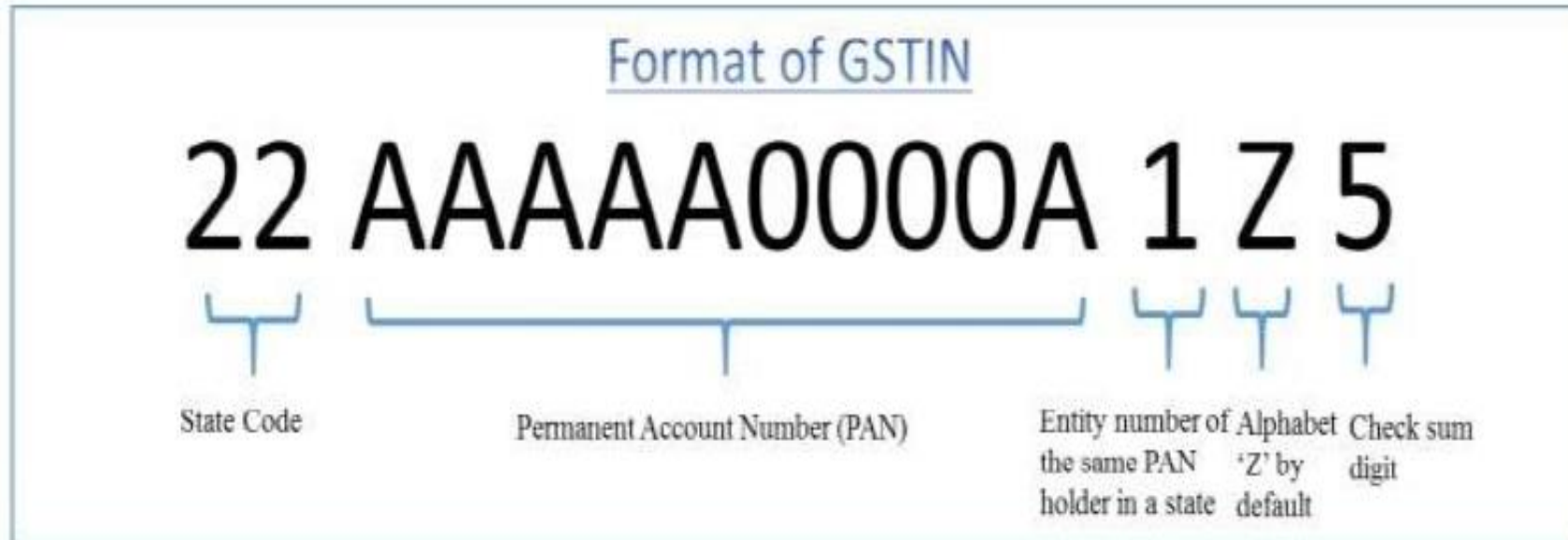
Registration number Format

The Good and Services Tax Identification NUMBER (GSTIN) in India follow a specific format. The GSTIN is a **15 digit alphanumeric code** that uniquely identifies a registered taxpayer under the GST system. The format is as follow:

1. The **first two characters** represent the **state code** as per the Indian Census 2011. For e.g. “29” represents the state of Karnataka.
2. The next **ten characters** are based on the taxpayer’s **Permanent Account Number (PAN)**. This helps in uniquely identifying the taxpayer.
3. The **thirteen character** indicate the number of registration a taxpayer has within a state for the same PAN . It can be **alphabets from A-Z**.
4. The fourteenth character is “Z” by **default**.
5. The fifteenth char. Is a check digit calculated using **a mathematical formula based on the 14 digits**.

Example GSTIN : 29ABCDE1234F1Z5

Goods and Services Identification Number (GST IN)

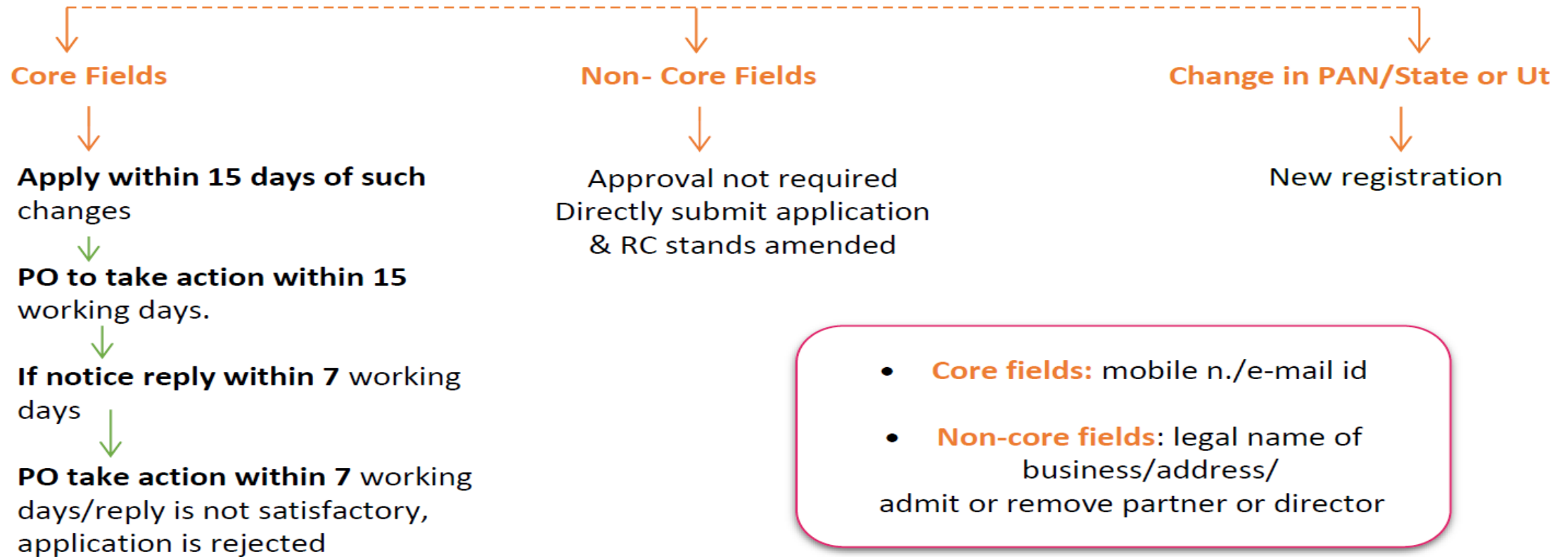


Important points related to registration

1. **Threshold Limits:** Business with an aggregate turnover above the prescribed threshold limit various states are required to register for GST.
2. **Mandatory vs. Voluntary :** Registration is mandatory for businesses for business exceeding the threshold, but it's also allowed voluntarily for businesses. Voluntary registration can provide access to input tax credit and expand market reach.
3. **Multiple Registrations:** Business operating in multiple states must obtain separate registration for each states where they have a physical presence.
4. **Online Application :** GST registration is primarily done online through the GST portal. Application need to provide accurate details, including PAN, Aadhaar , bank a/c , and business information.
5. **Provisional ID :** After submitting the application, a provisional GSTIN and ID are issued. The application is further verified by tax authorities.
6. **Final GSTIN :** once, verified, a final GSTIN is issued. It's a 15 digit alphanumeric code that's displayed on all invoice and communication related to GST.

7. **Input Tax Credit (ITC)** : Registration business can claim ITC on taxes paid on purchases. This help in avoiding cascading taxation.
8. **Compliance**: Registration taxpayers need to regularly file GST returns, including GSTR-1 for outward supplies and GSTR-3B for monthly summary returns.
9. **Filing Deadlines** : Timely filling of returns is essential to avoid penalties. Different types of taxpayers have different filling frequencies and due dates.
10. **Amendments** : Business need to keep their registration details updates and apply for amendments in case of changes.
11. **Cancellation** : GST registration can be cancelled if the business ceases operations, transfers ownership, or no longer meets the threshold requirements.
12. **E-commerce Platforms** : E-commerce operators and certain other entities might need to collect TCS on behalf of suppliers.
13. **Record Keeping** : Proper maintenance of books of accounts and financial records is crucial for accurate reporting and audits.

SECTION 28 AMENDMENT OF REGISTRATION



Note:

If po fails to take action:

- within **15 working days** from submission of application
or
- within **7 working days** from date of reply to Notice
deemed to be amended

Cancellation of registration (AMENDMENTS)

Cancellation of GST registration is a formal process that allows a registration taxpayer to cease their GST obligations. Some points to consider regarding the **cancellation of registration** in the Goods and Services Tax (GST) system :

1. **Grounds for Cancellation** : GST registration can be cancelled under various circumstances, including if the business has ceased operations, been transferred, amalgamated, or if the turnover falls below the threshold limit.
2. **Application for Cancellation** : A registration taxpayer needs to file an application for cancellation through the GST portal. The application can be submitted voluntarily or based on specific grounds defined by the authorities.
3. **Voluntary Cancellation** : If a taxpayer decides to voluntarily cancel their registration, they can do so if they believe that they no longer need to be registered under GST.
4. **Notice for Cancellation** : Tax authorities can initiate cancellation if they find reasons to believe that a registration taxpayer is not conducting business or is not eligible for registration .

5. **Return filling** : Before applying for cancellation, the taxpayer must ensure all pending GST returns are filed. This includes filing GSTR-1 and GSTR-3B for the application periods.
6. **Clearance of Dues** : All outstanding taxes, interest, penalties, and other dues need to be paid before applying for cancellation.
7. **Tax payment** : If there are any taxes due after the cancellation application, they need to be paid within three months from the date of Cancellation.
8. **Final Return** : After filing for cancellation, a final return called “GSTR-10” needs to be filed. This return provides details of closing stock and tax payable.
9. **Confirmation or Rejection** : The tax authorities review the application and association documents. If they find everything in order, the cancellation is confirmed.
10. **Effective Date of Cancellation** : The cancellation takes effect from the date on which the taxpayer ceased to be liable for GST. If the effective date is not specified, its generally the date of application for cancellation.
11. **Re-registration** : if any business resume, they may need to reapply for registration.

SECTION 29 CANCELLATION/SUSPENSION OF REGISTRATION

Voluntary cancellation

By registered person

1. Circumstance to cancel registration

- 1) Business **discontinued**/transferred for any reason incl. Death/amalgamated/demerged/disposed off
- 2) **Change in constitution** of business
- 3) **No longer liable** to registered u/s 22/24
- 4) Intend to **opt out** of voluntary registration

2. Circumstance to cancel registration by dept. (PO)

- 1) **Registration by fraud:** Registration was obtained by means of fraud/wilful misstatement/suppression of facts.
- 2) **Voluntarily registered:** person not commenced business within 6 months from date of registration
- 3) **Not filling of return:** A Composition taxpayer not file return beyond three months from due date
- 4) **If contravened these provisions:**
 - a) **Doesn't commenced** business from regd. Place
 - b) **Violate anti profiteering** provisions
 - c) **Doesn't provide bank detail** within prescribed time
 - d) Issue **invoice/bill without** supply of G/S
 - e) **Avail ITC in violation** of act
 - f) **Monthly return** filler fails to file return for continuous **period of six months**
 - g) **Quarterly return** filler fails to file return for **2 tax periods**

SUO MOTO cancellation

by department

* Proper officer shall not cancel without opportunity of being heard.

Q1. In order to be eligible for grant of registration, a person must have a Permanent Account Number issued under the Income- tax Act, 1961. State one exception to it.

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ANS: A Permanent Account Number is mandatory to be eligible for grant of registration. One exception to this is a non-resident taxable person. A non- resident taxable person may be granted registration on the basis of other prescribed documents instead of PAN. He has to submit a self-attested copy of his valid passport along with the application signed by his authorized signatory who is an Indian Resident having valid PAN and application will be submitted in a different prescribed form [Section 25(6) & (7)].

Q2. What is the advantage of taking registration in GST?

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ANS: Registration will confer following advantages to the business:

- 1) Legally recognized as supplier of goods or services.
- 2) 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.
- 3) 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.
- 4) Become eligible to avail various other benefits and privileges rendered under the GST laws.

Q3. Can a person without GST registration collect GST and claim ITC?

Q3. Can a person without GST registration collect GST and claim ITC?

ANS: No, a person without GST registration can neither collect GST from his customers nor can claim any input tax credit of GST paid by him.

Q4. Is there a provision for a person to get himself voluntarily registered though he may not be liable to pay GST?

Q4. Is there a provision for a person to get himself voluntarily registered though he may not be liable to pay GST?

ANS: Yes. In terms of sub-section (3) of section 25, a person, though not liable to be registered under sections 22 or 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered taxable person, shall apply to such person.

Q5. Can the Department, through the proper officer, suo-moto proceed to register a person under GST?

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ANS: Yes. In terms of sub-section (8) of section 25, where a person who is liable to be registered under GST law fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under CGST Act, or under any other law for the time being in force, proceed to register such person in the manner as is prescribed in the CGST Rules.

Q6. Whether the registration granted to any person is permanent?

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ANS: Yes, the registration certificate once granted is permanent unless surrendered, cancelled, suspended or revoked.

Q7. Is it necessary for the UN bodies to get registration under GST?

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ANS: In terms of section 25(9), all notified UN bodies, Consulate or Embassy of foreign countries and any other class of persons so notified would be required to obtain a unique identification number (UIN) from the GST portal.

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

Q8. What is the validity period of the registration certificate issued to a casual taxable person and non- resident taxable person?

Q8. What is the validity period of the registration certificate issued to a casual taxable person and non- resident taxable person?

ANS: In terms of section 27(1) read with proviso thereto, the certificate of registration issued to a “casual taxable person” or a “non-resident taxable person” shall be valid for a period specified in the application for registration or 90 days from the effective date of registration, whichever is earlier. However, the proper officer, at the request of the said taxable person, may extend the validity of the aforesaid period of 90 days by a further period not exceeding 90 days.

**Q9. Determine the effective date of registration under CGST Act in respect of the following cases with proper explanation:
The aggregate turnover of Varun Industries of Mumbai has exceeded ₹ 40 lakh on 1st August. Varun Industries manufactures LED TVs in Mumbai and sells them in Pune. It submits the application for registration on 20th August. Registration certificate granted on 25th August**

Sweta InfoTech Services is the provider of internet services in Pune. Its aggregate turnover exceeds ₹ 20 lakh on 25th September. It submits the application for registration on 27th October. Registration certificate is granted on 5th November.

Q9. Determine the effective date of registration under CGST Act in respect of the following cases with proper explanation: The aggregate turnover of Varun Industries of Mumbai has exceeded ₹ 40 lakh on 1st August. Varun Industries manufactures LED TVs in Mumbai and sells them in Pune. It submits the application for registration on 20th August. Registration certificate granted on 25th August

Sweta InfoTech Services is the provider of internet services in Pune. Its aggregate turnover exceeds ₹ 20 lakh on 25th September. It submits the application for registration on 27th October. Registration certificate is granted on 5th November.

As per section 22, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under: -

- a) ₹ 20 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (a) ₹ 40 lakh for the rest of India.

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

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

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

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

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

THANKYOU
