CHAPTER 8

REGISTRATION



The section numbers referred to in the chapter pertain to the CGST Act, unless otherwise specified. Examples/Illustrations/Questions and Answers given in the Chapter are based on the position of GST law existing as on 30.04.2026.

LEARNING OUTCOMES

After reading this chapter, you will be able to:

- understand the concept of the taxable person
- explain when a person becomes liable to get registered under GST.
- identify the scenarios where registration is compulsory.
- identify the persons who are not liable for registration.
- describe the procedure for obtaining registration under GST.
- explain the procedure for amendment of registration.
- describe the cancellation of registration and revocation of cancellation of registration in specified circumstances.

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1. INTRODUCTION



Under any taxation law, registration is the most fundamental requirement for the identification of persons liable to pay tax thereby ensuring tax compliance in the economy. Under the indirect tax regime, without registration, a person can neither collect tax from his customers nor claim any credit of tax paid by him. It is the first step towards becoming compliant under any tax law. Registration under GST legally recognizes a person as a supplier of goods or services or both and legally authorizes him 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. He can claim the input tax credit of taxes paid and can utilize the same for payment of taxes due on the supply of goods or services. Registration ensures the seamless flow of input tax credit from suppliers to recipients at the national level.

Under GST law, a supplier is required to obtain State-wise registration. There is no concept of a centralized registration under GST like the erstwhile service tax regime. A supplier has to obtain registration in every State/UT from where he makes a taxable supply provided his aggregate turnover exceeds a specified threshold limit. Such a supplier is not required to obtain registration in a State/UT from where he makes only a non-taxable supply.



Since registration in GST is PAN based, once a supplier is liable to register in any one State, he has to obtain registration in each of the States/UTs in which he makes taxable supply under the same PAN. Further, he is normally required to obtain single registration in a State/UT. However, where he has multiple places of business in a State/UT, he has an option either to get a single registration for said State/UT [wherein he can declare one place as principal place of business (PPoB) and the other

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places/branches as additional place(s) of business (APoB)] or to get separate registrations for each place of business in such State/UT.



Registration under GST is not tax specific, which means that there is single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and GST compensation cess.

Chapter VI - Registration [Sections 22 to 30] of the CGST Act, 2017 and Chapter III – Registration [Rules 8 to 26] of the CGST Rules, 2017 contain the provisions relating to registration. State GST laws also prescribe identical provisions in relation to Registration.

Before proceeding to understand the registration provisions, let us first go through a few relevant definitions.

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2. RELEVANT DEFINITIONS

- **Agent:** means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another [Section 2(5)].
- **Common portal:** means the common goods and services tax electronic portal referred to in section 146 [Section 2(26)].
- **Council:** means the Goods and Services Tax Council established under article 279A of the Constitution [Section 2(36)].
- **Place of business:** includes [Section 2(85)]:
  - a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or
  - a place where a taxable person maintains his books of account; or
  - a place where a taxable person is engaged in business through an agent, by whatever name called.
- **Appellate Authority:** means an authority appointed or authorised to hear appeals as referred to in section 107 [Section 2(8)].
- **Exempt supply:** means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11 of the CGST Act, or under section 6 of the IGST Act, and includes non-taxable supply [Section 2(47)].
- **Online gaming:** means offering of a game on the internet or an electronic network and includes online money gaming [Section 2(80A)].
- **Online money gaming:** means online gaming in which players pay or

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deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force [Section 2(80B)].

- **Taxable supply:** means a supply of goods or services or both which is leviable to tax under this Act [Section 2(108)].
- **Taxable territory:** means the territory to which the provisions of this Act apply [Section 2(109)].
- **Taxable person:** means a person who is registered or liable to be registered under section 22 or section 24 *[The concept of taxable person has been discussed in detail in subsequent paras]* [Section 2(107)].
- **Principal place of business:** means the place of business specified as the principal place of business in the certificate of registration [Section 2(89)].
- **Proper officer:** in relation to any function to be performed under this Act, means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board [Section 2(91)].
- **Registered person:** means a person who is registered under section 25, but does not include a person having a Unique Identity Number [Section 2(94)].
- **Fixed establishment:** means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs [Section 2(50)].
- **Tax period:** means the period for which the return is required to be furnished [Section 2(106)].
- **Business:** includes [Section 2(17)]–

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(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

(b) any activity or transaction in connection with or incidental or ancillary to (a) above;

(c) any activity or transaction in the nature of (a) above, whether or not there is volume, frequency, continuity or regularity of such transaction;

(d) supply or acquisition of goods including capital assets and services in connection with commencement or closure of business;

(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members, as the case may be;

(f) admission, for a consideration, of persons to any premises; and

(g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;

(h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club

(i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities.

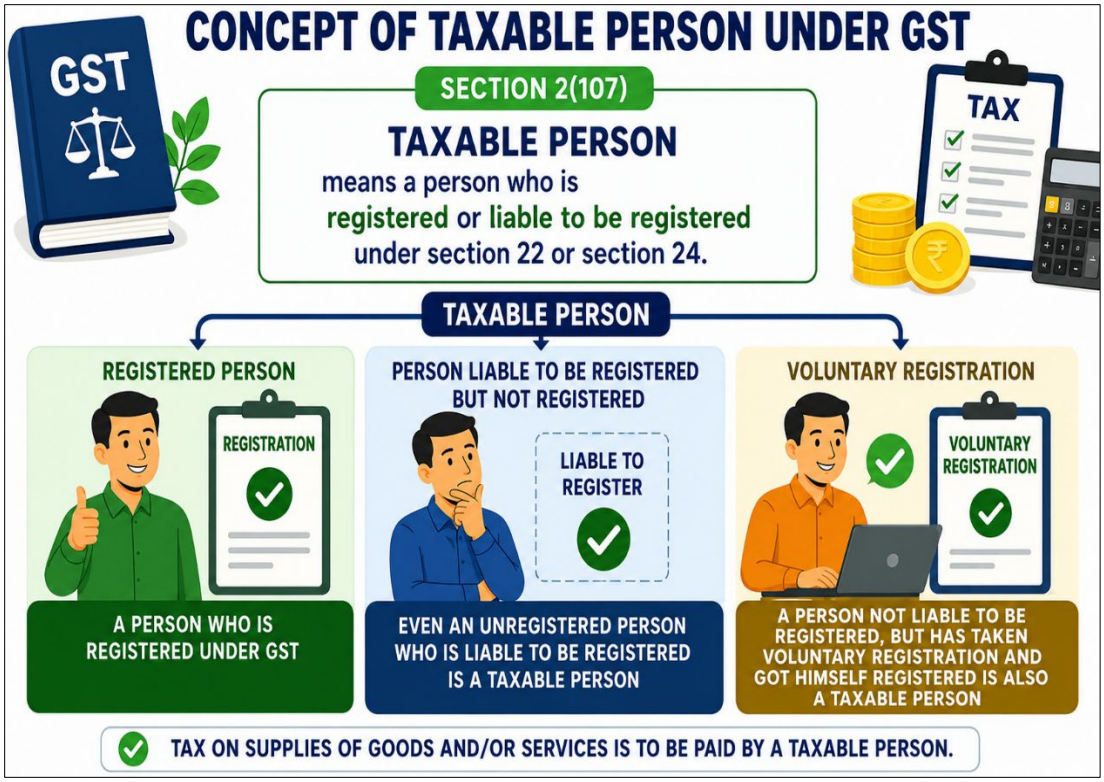
3. CONCEPT OF TAXABLE PERSON [SECTION 2(107)]

Under GST law, the concept of taxable person is significant since tax on supplies of goods and/or services, is to be paid by a taxable person. So, let us understand the concept of taxable person. As per section 2(107), taxable person means a person who is registered or liable to be registered under section 22 or section 24 *[These sections have been discussed in detail subsequently in this Chapter].*



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Thus, even an unregistered person who is liable to be registered is a taxable person. Similarly, a person not liable to be registered, but has taken voluntary registration and got himself registered is also a taxable person.



In the subsequent paras, we will see when a person becomes liable to get registered, what is the procedure for getting registered under GST, how to get the registration amended, when can the registration be cancelled and when the cancellation of the registration initiated by the Department or by the registered person be revoked.

Following sections of Chapter VI – Registration of the CGST Act shall be discussed in this chapter to understand the registration provisions:

Section 22	Persons liable for registration
Section 23	Persons not liable for registration
Section 24	Compulsory registration in certain cases

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Section 25	Procedure for registration.
Section 26	Deemed registration
Section 27	Special provisions relating to casual taxable person and non-resident taxable person
Section 28	Amendment of registration
Section 29	Cancellation or suspension of registration
Section 30	Revocation of cancellation of registration

4. PERSONS LIABLE FOR REGISTRATION [SECTION 22]

STATUTORY PROVISIONS

Section 22	***Persons liable for registration***
Sub-section	***Particulars***
(1)	*Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees.* *Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.* *Provided further that the Government may, at the request of a special category State and on the recommendations of the Council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified.*

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	Provided also that the Government may, at the request of a State and on the recommendations of the Council, enhance the aggregate turnover from twenty lakh rupees to such amount not exceeding forty lakh rupees in case of supplier who is engaged exclusively in the supply of goods, subject to such conditions and limitations, as may be notified. *Explanation—For the purposes of this sub-section, 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.*
(2)	*Every person who, on the day immediately preceding the appointed day, is registered or holds a license under an existing law, shall be liable to be registered under this Act with effect from the appointed day.*
(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 the case may be, shall be liable to be registered with effect from the date of such transfer or succession.*
(4)	*Notwithstanding anything contained in sub-sections (1) and (3), in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, de-merger 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.*
	Explanation—For the purposes of this section, —
	(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*

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		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
	(iii)	*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.*



ANALYSIS

(i) Threshold limit for registration

- Every supplier of goods or services or both is required to obtain registration
- in the State or the Union territory from where he makes the taxable supply
- if his **aggregate turnover** exceeds specified threshold limit in a FY.

Aggregate Turnover



Before, we study what is the applicable threshold limit for various States/ UTs, let us first understand the concept of **aggregate turnover**.

Aggregate turnover is a crucial parameter for deciding the eligibility of a supplier to avail the benefit of threshold exemption from registration and eligibility for composition scheme *[Discussed in Chapter 2 – Charge of GST in Module 1 of the Study Material]*.

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'Turnover' in common parlance is the total volume of business. The term 'aggregate turnover' as defined under section 2(6) has been presented in the diagrammatic form as follows:

Aggregate turnover

Includes	**Excludes**
Value of all outward supplies --Taxable supplies --Exempt supplies --Exports --Inter-State supplies **of persons having the same PAN to be computed on all India basis.**	--CGST/ SGST/ UTGST/ IGST/ Cess --Value of inward supplies on which tax is payable under reverse charge.

The definition of 'aggregate turnover' Section 2(6) [as given above] read with explanation (i) and (ii) to section 22 has been analysed as follows:

(A) Aggregate turnover to exclude inward supplies on which tax is payable under reverse charge: It may be noted that the inward supplies on which recipient is required to pay tax under Reverse Charge Mechanism (RCM) do not form part of the 'aggregate turnover'. The law stipulates certain supplies like, Goods Transport Agency services, legal services, sponsorship services, to name a few, where the recipient of service is required to pay the tax to the Government – *Discussed in detail in Chapter 2 – Charge of GST*. The value of such supplies would not form part of the 'aggregate turnover' of recipient of such supplies.



Outward Supplies taxable under reverse charge would continue to be part of the 'aggregate turnover' of the supplier of such supplies

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(1) Raghubir Private Ltd. pays GST on sitting fees paid to its director -Shashikant - for the services rendered by him, taxable under reverse charge. Value of services provided by the directors to Raghubir Private Ltd. will form part of the aggregate turnover of the Shashikant and not of Raghubir Private Ltd.

(2) Anand Textiles Ltd. engages a Goods Transport Agency (GTA) to transport its finished goods and pays GST under reverse charge on the freight. This value of transport service will form part of the GTA's aggregate turnover, not Anand Textiles Ltd.'s.

(3) Suresh & Co. avails legal consultancy from an independent advocate and pays GST under RCM on the advocate's fees. The value of this service is includible in the advocate's aggregate turnover, not in Suresh & Co.'s.

(B) Aggregate turnover excludes the elements of tax i.e. CGST, SGST, UTGST, and IGST and compensation cess



(4) Priya Enterprises sells goods worth ₹ 8,00,000 and charges IGST of ₹ 1,44,000 (18%) making the invoice value as ₹ 9,44,000. Only ₹ 8,00,000, the value of supply, is considered in the aggregate turnover; the tax component is excluded.

(C) Aggregate turnover includes total turnover of all branches (i.e. all GST registrations) under same PAN

Aggregate turnover is calculated by taking together the value in respect of the activities carried out on all-India basis.



(5) A dealer 'X' has two offices – one in Delhi and another in Haryana. In order to determine the aggregate turnover of 'X', turnover of both the offices would be taken into account subject to provisions of section 24.

(D) Value of exported goods/ services, exempted goods/services, inter-State supplies including inter-State supplies between distinct persons having same PAN, to be included in aggregate turnover

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(6) Madhur Oils, Punjab, is engaged in supplying machine oil as well as petrol. Supply of petrol is not leviable to GST, but supply of machine oil is taxable. In order to determine the aggregate turnover of Madhur Oils, turnover of both non-taxable as well as taxable[1] supplies would be taken into account.

(7) Sharma Exports sells garments worth ₹ 15,00,000 to a buyer in the USA (export) and also sells exempted handloom fabric worth ₹ 4,00,000 within India. Both the export value and the exempt supply value are includible in aggregate turnover.

(8) A company's Gujarat factory transfers goods worth ₹ 10,00,000 to its own branch in Maharashtra (a distinct person under the same PAN). Value of this stock transfer is included in the Company's aggregate turnover, even though no consideration is received.

(E) Aggregate turnover to include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals. [Explanation (i) to Section 22]



(9) Mohini Enterprises has appointed M/s Bestfords & Associates as its agent. In a year, M/s Bestfords & Associates supplies goods worth ₹ 35 lakh on behalf of Mohini Enterprises (invoiced in its own name) and also makes independent supplies on its own account worth ₹ 20 lakh. All such supplies made by M/s Bestfords & Associates, as agent of Mohini Enterprises as well as on its own account, will be included in its aggregate turnover, i.e., ₹ 55 lakh (₹ 35 lakh + ₹ 20 lakh).

(10) Ramesh & Co. acts as a commission agent, selling agricultural produce worth ₹ 42 lakh in a year on behalf of several farmers while also independently trading in stationery items on its own account, generating ₹ 8 lakh in the same year. Both the commission sales and the own-account trading are includible in Ramesh & Co.'s aggregate turnover, which works out to ₹ 50 lakh (₹ 42 lakh + ₹ 8 lakh).

(F) 'Aggregate turnover' Vs. 'Turnover in a State': The definition of 'Turnover in a state' is similar to the definition of 'Aggregate turnover' with a difference that the definition of 'Turnover in a state' considers

[1] *Exempt supply includes non-taxable supply as per section 2(47).*

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the taxable, exempt and export supplies made from the relevant State. Aggregate turnover is used for determining the threshold limit for registration and the eligibility for the composition scheme *[Discussed in Chapter 2 – Charge of GST]*. However, once a person is eligible for composition levy, GST payable under composition levy would be calculated as a specified % of 'turnover in the State/UT'.

(11) A manufacturer has GST registrations in Rajasthan and Punjab under the same PAN, with turnover of ₹ 90 lakh and ₹ 50 lakh respectively, an aggregate turnover of ₹ 1.4 crore, making him eligible for the composition scheme (threshold ₹ 1.5 crore). However, the tax payable under composition scheme in Rajasthan is computed as 1% of only ₹ 90 lakh, viz., 'turnover in the State,' not on aggregate turnover figure.

(G) Value of goods, after completion of job work, supplied directly from the premises of the registered job worker not to be included in aggregate turnover of the job worker [Explanation (ii) to Section 22]

Job-work implies undertaking any treatment or process by a person on goods belonging to another registered taxable person.



The person who is treating or processing the goods belonging to other person is called **'job worker'** and the person to whom the goods belong is called **'principal'**. Schedule II of the CGST Act stipulates that job work is a service.

The principal can supply the goods directly from the premises of the job worker without bringing it back to his own premises.

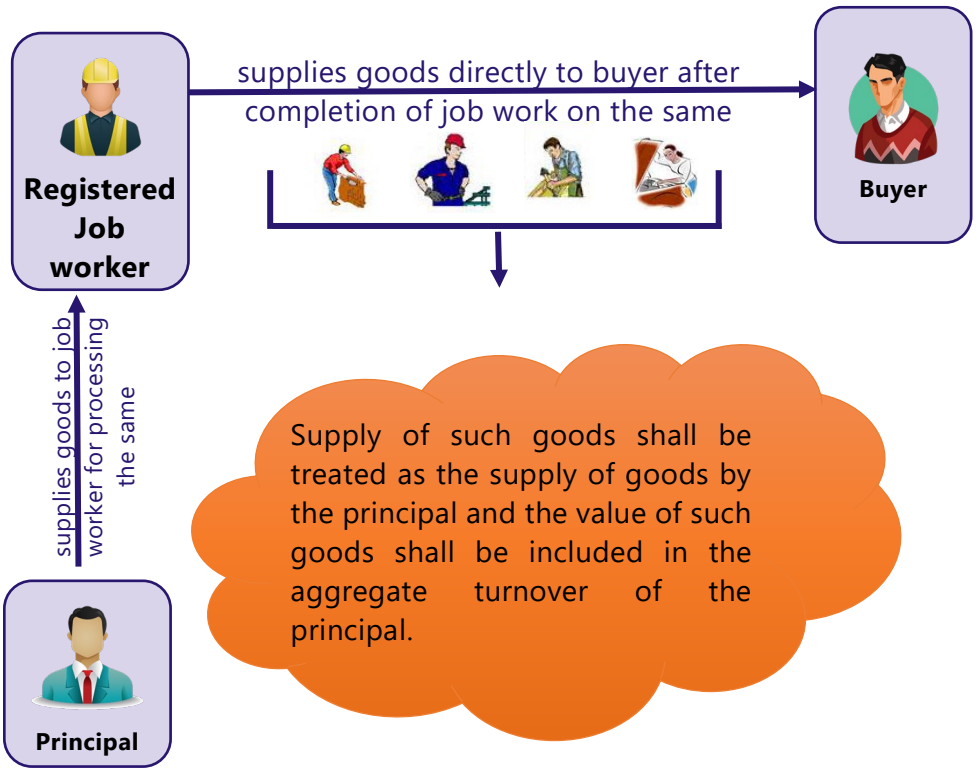
In case the job worker is unregistered, principal should declare job worker's premises as his additional place of business and remove goods from the same.

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If the job worker is a registered person/ principal supplies notified goods, goods can be supplied directly from the premises of the job worker.

Supply of goods, after completion of job work, directly from a registered job worker's premises is treated as supply of goods by the principal.

Further, the value of such goods supplied will be included in the aggregate turnover of the principal and not job worker.



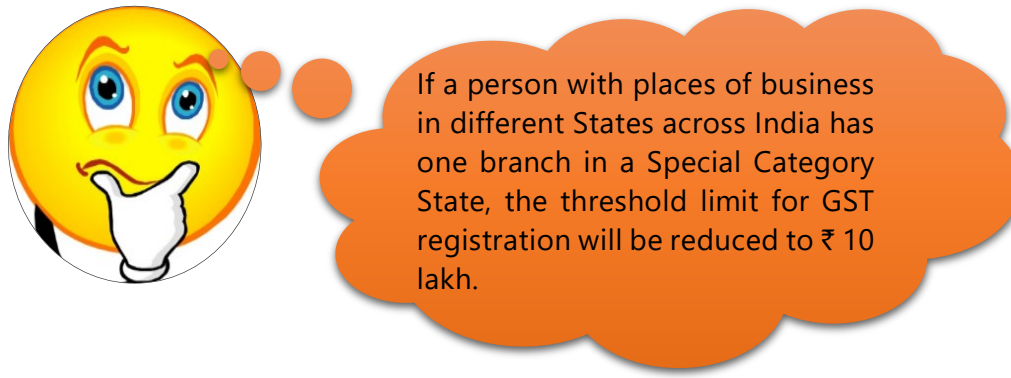
Applicable threshold limit

The threshold limit prescribed under section 22(1) is ₹ 20 lakh in a FY, i.e. every supplier, whose aggregate turnover in a financial year exceeds ₹ 20 lakh, is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods and/or services.

However, the limit of ₹ 20 lakh will be reduced to ₹ 10 lakh if the person is carrying out business in **Special Category States**. As per Article 279A(4)(g)

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of the Constitution, there are 11 Special Category States, namely, States of Arunachal Pradesh, Assam, Jammu and Kashmir[2], Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand. However, as per the explanation (iii) to section 22, for the purposes of registration, only Mizoram, Tripura, Manipur and Nagaland are Special Category States. Therefore, the threshold limit ₹ 10 lakh is applicable for Mizoram, Tripura, Manipur and Nagaland.



Government is empowered to enhance the threshold limit of ₹ 20 lakh upto ₹ 40 lakh for a supplier engaged exclusively in the supply of goods, at the request of a State and on the recommendations of the Council. This shall be subject to such conditions and limitations, as may be notified.

For the purposes of section 22(1), 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.

Further, *Notification No. 10/2019 CT dated 07.03.2019* exempts any person who is engaged exclusively in supply of goods and whose aggregate turnover in the financial year does not exceed ₹ 40 lakh, from the requirement to obtain a registration.

[2] *The erstwhile State of Jammu and Kashmir was reorganised into the Union territory of Jammu and Kashmir (with Legislature) and Union territory of Ladakh vide the Jammu and Kashmir Reorganisation Act, 2019.*

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Exceptions to this exemption are as follows:

(a) Persons required to take compulsory registration under section 24.

(b) Persons engaged in making supplies of following goods:

Tariff item, subheading, heading or Chapter*	Description
2105 00 00	Ice cream and other edible ice, whether or not containing cocoa 
2106 90 20	Pan masala 
24	All goods, i.e. Tobacco and manufactured tobacco substitutes 
6815	Fly ash bricks; fly ash aggregate; Fly ash blocks 
6901 00 10	Bricks of fossil meals or similar siliceous earths 
6904 10 00	Building bricks 
6905 10 00	Earthen or roofing tiles 

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(c) Persons engaged in making **intra-State supplies** in the States of Arunachal Pradesh, Uttarakhand, Meghalaya, Sikkim, Telangana, Puducherry and Special Category States as per section 22 [Nagaland, Mizoram, Manipur, Tripura]. **Inter-State supplies of goods** are nevertheless liable to compulsory registration under section 24 and are already covered in exception (a) above.

(d) Person who has opted for **voluntary registration** or such registered persons who intend to continue with their registration under the CGST Act.

In view of the above discussion, the registration requirements under GST can be summarised as follows:

The above information is presented in an alternate manner as follows:

			Threshold limit for persons engaged	
			exclusively in supply of goods	**exclusively in supply of services/ in supply of both goods & services**
States/UTs other than Special Category States		Puducherry	₹ 20 lakh	₹ 20 Lakh
		Telangana	₹ 20 lakh	₹ 20 Lakh
		Others	₹ 40 lakh	₹ 20 Lakh
Special Category States/ UTs as per Constitution	**Special Category States as per section 22**	Manipur	₹ 10 lakh	₹ 10 Lakh
		Mizoram	₹ 10 lakh	₹ 10 Lakh
		Nagaland	₹ 10 lakh	₹ 10 Lakh
		Tripura	₹ 10 lakh	₹ 10 Lakh

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	Other States/ UTs	Jammu and Kashmir	₹ 40 lakh	₹ 20 Lakh
		Assam	₹ 40 lakh	₹ 20 Lakh
		Himachal Pradesh	₹ 40 lakh	₹ 20 Lakh
		Arunachal Pradesh	₹ 20 Lakh	₹ 20 Lakh
		Meghalaya	₹ 20 Lakh	₹ 20 Lakh
		Sikkim	₹ 20 Lakh	₹ 20 Lakh
		Uttarakhand	₹ 20 Lakh	₹ 20 Lakh

The above information is presented in an alternate manner as follows:

States with threshold limit of ₹ 10 lakh for supplier of goods and/or services	**States/UTs with threshold limit of ₹ 20 lakh for supplier of goods and/or services**	**States/UTs with threshold limit of ₹ 20 lakh for supplier of services/ both goods and services and threshold limit of ₹ 40 lakh for supplier of goods (Intra-State)**
❑ Manipur ❑ Mizoram ❑ Nagaland ❑ Tripura	❑ Arunachal Pradesh ❑ Meghalaya ❑ Sikkim ❑ Uttarakhand ❑ Puducherry ❑ Telangana	❑ Jammu and Kashmir ❑ Assam ❑ Himachal Pradesh ❑ All other States



(12) Prithiviraj of Assam is exclusively engaged in intra-State supply of shoes. His aggregate turnover in the current financial year is ₹ 22 lakh. In view of the discussion in the above paras, the applicable threshold limit for registration for Prithviraj in the given case is ₹ 40 lakh. Thus, he is not liable to get registered under GST.

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If in the above example, all other things remaining the same, Prithiviraj is exclusively engaged in the supply of pan masala instead of shoes, he will not be eligible for higher threshold limit of ₹ 40 lakh and the applicable threshold limit for registration in that given case will be ₹ 20 lakh. Thus, Prithiviraj will be liable to get registered under GST.

If instead of pan masala, Prithiviraj is exclusively engaged in supply of taxable services, the applicable threshold limit for registration will still be ₹ 20 lakh. Thus, Prithiviraj will be liable to get registered under GST.

Further, if Prithiviraj is engaged in supply of both taxable goods and services, the applicable threshold limit for registration will still remain ₹ 20 lakh only. Thus, Prithiviraj will be liable to get registered under GST.



(13) Shivaji of Telangana is exclusively engaged in intra-State supply of toys. Its aggregate turnover in the current financial year is ₹ 22 lakh. Since Shivaji is making taxable supplies from Telangana, he will not be eligible for higher threshold limit available in case of exclusive supply of goods. The applicable threshold limit for registration for Shivaji in the given case is ₹ 20 lakh. Thus, he is liable to get registered under GST.

If in the above example, all other things remaining the same, if Shivaji is exclusively engaged in supply of taxable services instead of toys or is engaged in the supply of both taxable goods and services, the applicable threshold limit for registration will still be ₹ 20 lakh. Thus, Shivaji will be liable to get registered under GST in such cases.

(14) Ashoka of Manipur is exclusively engaged in intra-State supply of paper. Its aggregate turnover in the current financial year is ₹ 12 lakh. Since Ashoka is making taxable supplies from Manipur which is a Special Category State, the applicable threshold limit for registration for Ashoka in the given case is ₹ 10 lakh. Thus, he is liable to get registered under GST.

If in above example, all other things remaining the same, Ashoka is exclusively engaged in supply of taxable services instead of paper, the applicable threshold limit for registration will still be ₹ 10 lakh. Thus, Ashoka will be liable to get registered under GST.

Further, if Ashoka is engaged in supply of both taxable goods and services, the applicable threshold limit for registration in that given case will be ₹ 10 lakh only. Thus, Ashoka will be liable to get registered under GST.

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(15) Raghav of Assam is exclusively engaged in intra-State supply of readymade garments. His turnover in the current FY from Assam showroom is ₹ 28 lakh. He has another showroom in Tripura with a turnover of ₹ 11 lakh in the current FY. Since Raghav is engaged in supplying garments from a Special Category State (Tripura) as per section 22, the applicable threshold limit for him gets reduced to ₹ 10 lakh. Further, Raghav is liable to get registered under GST in both Assam and Tripura on his aggregate turnover crossing the threshold limit of ₹ 10 lakh.

(ii) Registration to be obtained only for a place of business from where taxable supply takes place

A supplier is required to obtain registration with respect to his each place of business in India from where a taxable supply has been made. However, a supplier is not liable to obtain registration in a State/UT from where he makes an exempt/non-taxable supply.

It is pertinent to note here that a supplier is required to obtain registration only in the State(s) **"from where taxable supply is made"** and not **"where taxable supply is made"**. It may be noted that if goods and/or services are supplied **in** different States, GST registration is not required in each such State(s).

Thus, if a person has only liaison office or marketing office in a State and if there is no taxable supply from that State, he is not required to obtain registration in that State, even if he is registered in other State/s. Thus, in that State where liaison office or marketing office is located, he will be treated as 'unregistered'.



(16) Mr. X has a registered office in Delhi. He imports goods which are landed at Mumbai sea port. Mr. X enters into a sales agreement with Mr. Y located in Mumbai to directly sell the goods from the Mumbai port. In this case, Mr. X is not required to obtain registration in Mumbai as he has no fixed establishment in Mumbai.

Further, in a State from where taxable supply has been made, registration is required to be obtained only if the supplier has a "fixed establishment" in such State. This aspect is more relevant in respect of supply of services like repair & maintenance, transportation, security, erection & commissioning services and construction contracts etc.

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Further, the threshold limit of a person having places of business in more than one State/UT in India gets reduced to ₹ 10 lakh only when such person makes **taxable supplies** of goods or services or both **from any of the Special Category States** as per section 22. However, in case he makes exempt/non-taxable supply from a Special Category State and taxable supplies from a State other than Special Category State, the threshold limit shall not be so reduced.



(17) Uday Enterprises is engaged in supply of taxable goods and services in Maharashtra. It also supplies alcoholic liquor for human consumption from Nagaland. Its turnover in the current financial year is ₹ 14 lakh in Maharashtra and ₹ 11 lakh in Nagaland.

Since Uday Enterprises is engaged in making taxable supplies of goods and services from Maharashtra, the applicable threshold limit for obtaining registration is ₹ 20 lakh. However, the threshold limit will not be reduced to ₹ 10 lakh in this case, as supply of alcoholic liquor for human consumption from Nagaland (one of the Special Category States) is non-taxable supply[3].

In the given case, since the aggregate turnover of Uday Enterprises exceeds the applicable threshold limit of ₹ 20 lakh, it is liable to obtain registration. It will obtain registration in Maharashtra but is not required to obtain registration in Nagaland as he is not making any taxable supplies from the said State.

(iii) Person liable for registration in case of transfer of business



Where a business is transferred, whether on account of succession or any other reason [including transfer/change in the ownership of business due to death of the sole proprietor[4]], to another person as a going concern, the transferee/ successor, is to be registered with effect from the date of such transfer/succession.

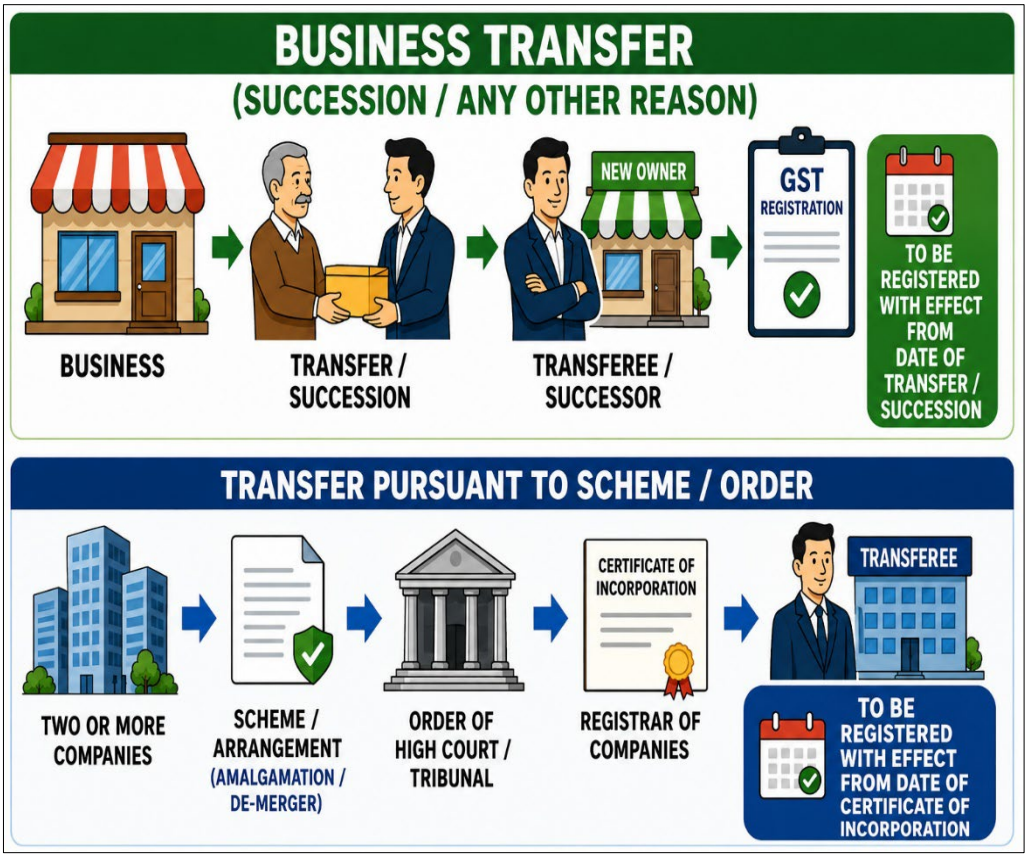
Where the business is transferred, pursuant to sanction of a scheme/ arrangement for amalgamation/ de-merger of two or more companies,

[3] *in terms of section 9(1)*

[4] *clarified vide Circular No. 96/15/2019 GST dated 28.03.2019*

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pursuant to an order of a High Court/Tribunal, the transferee is to be registered with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order.



5. COMPULSORY REGISTRATION IN CERTAIN CASES [SECTION 24]

As we have seen above that a supplier is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods and/or services only if his aggregate turnover in a financial year exceeds the applicable threshold limit. However, there are certain cases wherein a supplier is mandatorily required to obtain registration irrespective of the quantum of his aggregate turnover. In other words, these are the cases wherein a supplier is compulsorily required to obtain registration even though his aggregate turnover does not exceed the applicable threshold limit.

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However, certain exemptions from registration have also been provided under section 23. These exceptions have been incorporated briefly at the relevant places in the discussion under this heading in order to provide a holistic picture. The exceptions have also been explained in detail in the next *heading 6. Persons not liable for registration.*

The category of persons requiring compulsory registration under GST have been enlisted below with the relevant exceptions:

(1) **Persons making any inter-State taxable supply**. However, threshold limit of ₹ 20 lakh (₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of inter-State supply of **taxable services** and of notified handicraft goods and notified handmade goods.



(18) Karan, a trader of electronic goods in Delhi, sells goods worth ₹ 5 lakh to a buyer in Punjab. Since this is an inter-State supply, Karan must register under GST compulsorily, irrespective of the fact that its turnover has not yet crossed ₹ 40 lakh threshold limit.

(2) **Casual taxable persons (CTP) making taxable supply.** However, threshold limit of ₹ 20 lakh (₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of CTP who is making inter-State taxable supplies of notified handicraft goods and notified hand-made goods and is availing the benefit of exemption from registration as mentioned in point 1 above.



(19) Mr. Ahuja, a Mumbai-based trader, sets up a temporary stall at the Pushkar Fair in Rajasthan for 10 days without any fixed place of business there. He must compulsorily register as a Casual Taxable Person in Pushkar, Rajasthan before making any taxable supply, regardless of turnover.

(3) **Persons who are required to pay tax under reverse charge on inward supplies received.** However, persons engaged exclusively in making outward supplies, tax on which is liable to be paid on reverse charge basis under section 9(3) [except suppliers of metal scrap (Chapter 72 to 81)] are exempt from registration.



(20) Neha Enterprises, though having turnover of only ₹ 5 lakh, hires a Goods Transport Agency (GTA) and is liable to pay GST under reverse charge on the freight paid. She must compulsorily register despite being below the threshold limit.

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(4) Non-resident taxable persons (NRTP) making taxable supply.



(21) A UK-based company deputes a representative to India for a 15-day trade exhibition in Mumbai to sell machinery samples, without any fixed place of business in India. Being an NRTP making taxable supply, compulsory registration is required before commencing business.

(5) E-commerce:

(i) Every ECO (Electronic Commerce Operator) who is required to collect tax at source under section 52,



(22) Flipzon, being an e-commerce operator facilitating sales of goods by various sellers on its platform and liable to collect TCS on the net value of taxable supplies made through it, must compulsorily register.

(ii) Persons who are required to pay tax under section 9(5)[5] i.e. e-commerce operator who is required to pay tax on specified services.



(23) Barban Company, facilitating housekeeping services provided by unregistered service providers through its app, must register since it is liable to pay tax on such supplies under section 9(5).

(iii) Persons who supply goods and/or services, other than supplies specified under section 9(5), through such ECO who is required to collect TCS under section 52. Exceptions are as follows:

- ❑ The threshold limit of ₹ 20 lakh (₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of suppliers supplying **services** through ECO.
- ❑ The threshold limit for registration is available to persons making intra-State supplies of **goods** through ECO.



(24) Ramesh makes an inter-State supply of jewellery worth ₹ 15 lakh through Amkart. Since this is a supply of goods through ECO, Ramesh must register compulsorily, irrespective of his aggregate turnover.

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[5] *The provisions of section 9(5) of the CGST Act, 2017 where the ECO is required to pay tax are discussed in detail in Chapter 12 – Electronic Commerce Transactions of this Module of the Study Material.*

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(25) In above example, other things remaining same, if instead of inter State supply, Ramesh makes an intra-State supply of jewellery worth ₹ 15 lakh through Amkart, Ramesh is not liable to register till he crosses the applicable threshold limit provided he fulfils other prescribed conditions.

(26) Priya, a yoga instructor based in Karnataka, provides online yoga classes worth ₹ 12 lakh through the app of an ECO to clients within Karnataka as well as in other States. Since services below ₹ 20 lakh through ECO are exempt from compulsory registration, Priya is not required to register.

(6) Persons who are required to deduct tax under section 51, whether or not separately registered under this Act. In case a person already registered under GST is required to deduct tax under section 51, he is required to take separate registration for the purpose of deducting tax under section 51.



(27) A Public Sector Undertaking (PSU) awards a works contract of ₹50 lakh to a contractor and is required to deduct TDS under GST. The PSU must register as a tax deductor, even though not otherwise liable for registration.

(28) If above example, if PSU is already registered in respect of supply of taxable goods or services, it is still required to separately register as TDS deductor.

(7) Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise.

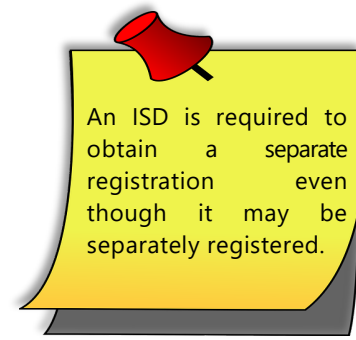


(29) Mohit acts as a commission agent for a FMCG products distributor and supplies said products to retailers on the distributor's behalf, issuing invoices in his own name. He must register compulsorily as an agent, irrespective of turnover.

(8) Every person supplying online information and data base access or retrieval (OIDAR) services from a place outside India to a person in India, other than a registered person.

(9) Input Service Distributor, whether or not separately registered under CGST Act.

(10) Every person supplying online money gaming from a place outside India to a person in India.



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(11) Such other person or class of persons as may be notified by the Government on the recommendations of the Council.

Note: Concept of CTP and NRTP is explained subsequently in this chapter.



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6. PERSONS NOT LIABLE FOR REGISTRATION [SECTION 23]

Section 23 lists the persons who are not liable to obtain a registration. As mentioned above, a person who is not registered under the GST but is liable to be registered and a person who is registered (whether voluntarily or otherwise) is considered to be a taxable person. Accordingly, it can be said that persons listed as not liable to be registered under section 23 would not fall in the definition of the 'taxable persons'.

(i) Persons not liable to registration

Section 23(1) lists the following persons as not liable to be registered. Thus, the persons so listed will not be the 'taxable persons'.

(A) Person engaged exclusively in the business of supplying goods and /or services not liable to tax/wholly exempt from tax: Any person engaged exclusively in the business of supplying goods or services or both that is not liable to tax or is wholly exempt from tax under CGST Act/ IGST Act shall not be liable to registration. This provision can be understood with the help of following examples:



(30) Madhur Oils, Punjab, is exclusively engaged in supplying petrol. Supply of petrol is not leviable to GST. Thus, Madhur Oils is not liable for registration as it is engaged exclusively in supplying goods not leviable to tax.

(31) Bhavyajyoti Foundation, a charitable trust registered under section 12AB of the Income-tax Act, 1961, is exclusively engaged in supply of services by way of charitable activities. Services by an entity registered under section 12AB of the Income-tax Act, 1961 by way of charitable activities are exempt from GST. Bhavyajyoti Foundation is not liable for registration as it is exclusively engaged in supplying services exempt from tax.

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(B) An agriculturist, to the extent of supply of produce out of cultivation of land: An agriculturist to the extent of supply of produce out of cultivation of land is also not liable to registration. The term agriculturist has been defined under section 2(7) as an individual/Hindu Undivided Family (HUF) who undertakes **cultivation of land**—



(a) by own labour, or

(b) by the labour of family, or

(c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family.

From the above definition, it is clear that the benefit of not being liable to registration is only restricted to the agriculturists who are individuals or HUFs. Further, if an agriculturist is also engaged in making any supply other than supply of produce out of cultivation of land, he shall be liable to registration based on applicable threshold limit.



(32) Deshbandhu is an agriculturist engaged in cultivation of wheat in his field in the State of Punjab. He was exclusively engaged in intra-State supply of wheat cultivated in his field in the previous year. Thus, he was not liable to registration as he was exclusively engaged in supply of produce out of cultivation of land.

In the current year, he decided to start trading in pre-packaged and labelled puffed rice apart from supplying his wheat produce. His turnover in the current year is ₹ 32 lakh from supply of wheat produced and ₹ 9 lakh from trading of pre-packaged and labelled puffed rice.

Since he is engaged in trading of pre-packaged and labelled puffed rice also, he is not covered under section 23 above. The threshold limit for registration applicable to a person exclusively engaged in supply of goods in the State of Punjab is ₹ 40 lakh. The aggregate turnover of Deshbandhu in the current year is ₹ 41 lakh [₹ 32 lakh + ₹ 9 lakh] which exceeds the threshold limit. Thus, he will be liable to registration.

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(ii) Specified category of persons notified by the Government exempted from obtaining registration

Section 23(2) provides that notwithstanding anything to the contrary contained in section 22(1) or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act. Thus, section 23 (2) grants the Government, a power to notify category of persons as being exempted from obtaining registration under GST law.

The following category of persons have been notified under the said section:-

A. Persons making only reverse charge supplies

Persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both under section 9(3) have been exempted from obtaining registration

However, although the tax on the supply of metal scrap, falling under Chapters 72 to 81 in the First Schedule to the Customs Tariff Act, 1975 is payable by the recipient under reverse charge mechanism, above exemption from registration is not applicable in said case.



Thus, any person exclusively engaged in the supply of metal scrap will not be exempted from registration.

[Notification No. 5/2017 CT dated 19.06.2017]



(33) Manikaran Transporters is a Goods Transport Agency (GTA) engaged exclusively in supplying GTA services liable to tax under reverse charge [since tax is being paid on GTA services @ 5% and Manikaran has not exercised the option to pay GST itself]. Thus, it is exempt from registration as it is engaged exclusively in making supplies, tax on which is liable to be paid on reverse charge basis.

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Further, Manikaran Transporters supplies the said service to Diwakar Manufacturing Pvt. Ltd. whose aggregate turnover does not exceed the applicable threshold limit.

However, since Diwakar Manufacturing Pvt. Ltd. has to pay tax on GTA services [@ 5%] under reverse charge, it will be required to obtain registration mandatorily irrespective of the quantum of its aggregate turnover.

B. Persons making inter-State supplies of taxable services up to ₹ 20 lakh

The 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 ₹ 20 lakh in a financial year have been exempted from obtaining compulsory registration.

However, the aggregate value of such supplies, computed on all India basis, should not exceed an amount of ₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland *[Notification No. 10/2017 IT dated 13.10.2017]*.



(34) Dhola & Co., located in Delhi, is engaged in supply of taxable goods[6] in the neighbouring States of Punjab and Haryana.

Its aggregate turnover in current FY is ₹ 10 lakh. Since it is engaged in making inter-State taxable supply of goods, it is required to register mandatorily under GST irrespective of its aggregate turnover.

However, if in the above case, Dhola & Co. is engaged in inter- State supply of taxable services instead of goods, it will be eligible for exemption from registration till its aggregate turnover does not exceed ₹ 20 lakh.

C. Persons making inter-State taxable supplies of notified handicraft goods and notified handmade goods up to ₹ 20 lakh



As we have seen earlier that as per section 24 read with *Notification No. 10/2017 IT*, a person making inter-State supplies of goods is liable to be registered compulsorily under GST irrespective of the threshold limit.

[6] *other than notified handicraft goods and notified hand-made goods*

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However, in the following cases, **persons making inter-State supplies** of goods have been exempted from obtaining registration:

(a) Persons making inter-State taxable supplies of notified **handicraft goods**[7].

(b) Persons making inter-State taxable supplies of **notified products**[8], when made by craftsmen predominantly by hand even though some machinery may also be used in the process.

Conditions to be fulfilled:

1. The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ₹ 20 lakh [₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland] in a FY.

2. Such persons have obtained a PAN and have generated an e-way bill[9] *[Notification No. 3/2018 IT dated 22.10.2018]*.



(35) Ariza Pvt. Ltd., located in Madhya Pradesh, is a supplier of taxable and notified handicraft goods. It supplies these goods in the neighbouring States of Uttar Pradesh and Orissa. Its aggregate turnover till the month of October is ₹ 15 lakh. Although, Ariza

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[7] *Handicraft goods referred herein are goods as defined and notified in Notification No. 21/2018 CT (R) dated 26.07.2018. This notification notifies the handicraft items which are eligible for concessional rate of tax, for instance, handcrafted candles, articles made of paper mache, coir articles, handbags including pouches and purses; jewellery box, hand embroidered articles, art ware of iron/aluminium, etc. These examples are only for the purpose of knowledge and are not relevant for examination purposes.*

Handicraft goods are defined under said notification as goods predominantly made by hand even though some tools or machinery may also have been used in the process; such goods are graced with visual appeal in the nature of ornamentation or in-lay work or some similar work of a substantial nature; possess distinctive features, which can be aesthetic, artistic, ethnic or culturally attached and are amply different from mechanically produced goods of similar utility.

[8] *Some of the notified products are leather articles, carved wood products, wood turning and lacquer ware, bamboo products, textiles hand printing, theatre costumes, musical instruments, dolls and toys, etc. These examples are only for the purpose of knowledge and are not relevant for examination purpose.*

[9] *The provisions relating to e-way bill have been discussed in detail in Chapter 10 in this Module of the Study Material.*

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Pvt. Ltd. is engaged in making inter-State supplies of taxable goods, it is not liable to obtain registration till its aggregate turnover does not exceed ₹ 20 lakh as it has availed the exemption from registration under *Notification No. 03/2018 IT*[10].

D. Casual Taxable Persons making inter-State taxable supplies of notified handicraft goods and notified handmade goods up to ₹ 20 lakh

As we have seen earlier that as per section 24, a CTP is liable to be registered compulsorily under GST irrespective of the threshold limit.

However, following categories of CTPs have been exempted from obtaining registration:

(a) CTPs making inter-State taxable supplies of **notified handicraft goods**, [as referred in Point C above] or

(b) CTPs making inter-State taxable supplies of **notified products** [as referred in Point C above], when made by the craftsmen predominantly by hand even though some machinery may also be used in the process.

Conditions to be fulfilled:

1. CTPs are availing benefit of *Notification No. 03/2018 IT dated 22.10.2018* [discussed above].
2. The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of ₹ 20 lakh [₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland] in a FY.
3. Such persons have obtained a PAN and have generated an e-way bill *[Notification No. 56/2018 CT dated 23.10.2018]*.

E. Persons making supplies of services through an ECO [other than supplies specified under section 9(5)] with aggregate turnover up to ₹ 20 lakh



Persons making supplies of services, other than supplies specified under section 9(5), through an ECO who is required to collect tax at source under section 52, and having an aggregate turnover, to be computed on all

[10] *subject to fulfilment of other conditions prescribed under said notification.*

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India basis, not exceeding **₹ 20 lakh** (**₹ 10 lakh** in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland) in a FY, have been exempted from obtaining compulsory registration *[Notification No. 65/2017 CT dated 15.11.2017]*.

Therefore, all service providers, whether supplying intra-State, inter-State or through ECO, will be exempt from obtaining registration, provided their aggregate turnover does not exceed ₹ 20 lakh (₹ 10 lakh in special category States of Mizoram, Tripura, Manipur and Nagaland).

(F) Persons making intra-State supplies of goods through an ECO with aggregate turnover up to the threshold limit



The persons making supplies of goods through an ECO who is required to collect TCS under section 52 and having an aggregate turnover in the preceding financial year and in the current financial year not exceeding the threshold limit in accordance with the provisions of section 22(1), are exempted from obtaining registration, subject to the following conditions, namely:

(i) such persons shall **not make any inter-State supply** of goods;

(ii) such persons shall **not make supply** of goods through ECO **in more than one State**/Union territory;

(iii) such persons shall be **required to have a PAN** issued under the Income-tax Act, 1961;

(iv) such persons shall, before making any supply of goods through ECO, declare on the common portal:

a. their PAN

b. address of their place of business and

c. State/UT in which such persons seek to make such supply,

which shall be subjected to validation on the common portal;

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(v) such persons have been **granted an enrolment number** on the common portal on successful validation of the PAN declared above;

(vi) such persons shall not be granted more than one enrolment number in a State/UT;

(vii) no supply of goods shall be made by such persons through ECO unless such persons have been granted an enrolment number on the common portal; and

(viii) where such persons are subsequently granted registration under section 25, the enrolment number shall cease to be valid from the effective date of registration.

[Notification No. 34/2023 CT dated 31.07.2023]

Liability to register in respect of services provided by the commission agent as per APMC Act for sale/ purchase of agricultural produce

CBIC has clarified[11] the issue as to whether the services provided by the commission agent as per Agricultural Produce Marketing Committee Act (APMC Act) in connection to the sale/ purchase of agricultural produce qualify as supply under GST with the help of the following example. It further examines and clarifies the registration requirements of such commission agents.



(36) Mr. A sells agricultural produce by utilizing the services of Mr. B who is a commission agent as per the APMC Act of the State. Mr. B identifies the buyers and sells the agricultural produce on behalf of Mr. A for which he charges a commission from Mr. A.

In case where the invoice is issued directly by Mr. A to the buyer, the commission agent (Mr. B) doesn't fall under the category of agent covered under Schedule I. However, in case where the invoice is issued by Mr. B to the buyer, Mr. B is an agent as covered under Para 3 of Schedule I to the CGST Act. Hence, in such cases, the services supplied by commission agent Mr. B on behalf of the principal without consideration shall be deemed to be a supply – *Concept of Deemed Supply under Schedule-I has been discussed in detail in Chapter 1 – Supply under GST in Module 1 of the Study Material.*

[11] *Circular No. 57/31/2018 GST dated 04.09.2018*

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The registration requirements of the commission agents in such cases have been examined and clarified as follows:

(i) As we have already seen, as per section 24, a person is liable for mandatory registration if he makes taxable supply of goods or services or both on behalf of other taxable persons.

Accordingly, a commission agent will be liable to get mandatorily registered under this provision only when both the following conditions are satisfied:

(a) the principal should be a taxable person; and

(b) the supplies made by the commission agent should be taxable.



However, generally, a commission agent under APMC Act makes supplies on behalf of an agriculturist who is not a taxable person if he supplies produce out of cultivation of land[12] [as seen above].

Thus, a commission agent, who is making supplies on behalf of non-taxable person [viz. agriculturist], is not liable for compulsory registration under this provision.

(ii) Further, since the services provided by the commission agent for sale/ purchase of agricultural produce are exempt from GST[13], **such commission agents are not liable to be registered in accordance with provisions of section 23(1)(a)** [as discussed above].

(iii) However, where a commission agent is liable to pay tax under reverse charge for any other services procured by him, such an agent will be required to get registered compulsorily (We have already seen under previous heading that persons liable to pay tax under reverse charge are required to obtain registration mandatorily).

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[12] in terms of section 23(1)(a)

[13] Notification No. 12/2017 CT (R) dated 28.06.2017 [Discussed in Chapter 3 – Exemptions from GST in Module 1 in Module-1 of the Study material.]

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The provisions of section 23 can be summarized in the following diagram:



7. PROCEDURE FOR REGISTRATION [SECTIONS 25, 26 & 27]

STATUTORY PROVISIONS

Section 25	Procedure for registration
Sub-section	**Particulars**
(1)	*Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed.*

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	Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business. *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.* *Explanation—Every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate baseline is located.*
(2)	*A person seeking registration under this Act shall be granted a single registration in a State or Union territory.* *Provided that a person having multiple places of business in a State or Union territory may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed.*
(3)	*A person, though not liable to be registered under section 22 or section 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.*
(4)	*A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act*
(5)	*Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.*
(6)	*Every person shall have a Permanent Account Number issued under the Income- tax Act, 1961 in order to be eligible for grant of registration:*

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	Provided that a person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number issued under the said Act in order to be eligible for grant of registration.
(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 recommendation of the Council, specify in the said notification*

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	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*
(7)	*Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of such other documents as may be prescribed*
(8)	*Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under this Act or under any other law for the time being in force, proceed to register such person in such manner as may be prescribed*
(9)	*Notwithstanding anything contained in sub-section (1),––*
	(a) *any specialised agency of the 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 ; and*
	(b) *any other person or class of persons, as may be notified by the Commissioner,*
	shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified

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	supplies of goods or services or both received by them, as may be prescribed.
(10)	*The registration or the Unique Identity Number shall be granted or rejected after due verification in such manner and within such period as may be prescribed.*
(11)	*A certificate of registration shall be issued in such form and with effect from such date as may be prescribed*
(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*
Section 26	**Deemed registration**
(1)	*The grant of registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique Identity Number has not been rejected under this Act within the time specified in sub-section (10) of section 25.*
(2)	*Notwithstanding anything contained in sub-section (10) of section 25, any rejection of application for registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.*
Section 27	**Special provisions relating to casual taxable person and non-resident taxable person**
(1)	*The certificate of registration issued to a casual taxable person or a non- resident taxable person shall be valid for the period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration.*

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	Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of ninety days by a further period not exceeding ninety days.
(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 sub-section (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.*
(3)	*The amount deposited under sub-section (2) shall be credited to the electronic cash ledger of such person and shall be utilised in the manner provided under section 49.*



ANALYSIS

The procedure for registration is governed by section 25 read with the relevant CGST Rules, 2017. Relevant provisions of CGST Rules, 2017 have been incorporated at the relevant places. Further, special provisions have been provided for registration of casual taxable person and non-resident taxable person under section 27. Concept of deemed registration has been elaborated under section 26.

Under GST, the application for registration has to be submitted electronically at the GST Common Portal – www.gst.gov.in, duly signed or verified.

A large number of forms/formats relating to registration have been prescribed in the CGST 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 separate standard formats[14]. This makes the process uniform all over the country. The decision-making process has also been expedited. Strict time-lines have been stipulated for completion of different stages of registration process.

[14] *For knowledge purposes students are advised to go through various forms/formats relating to registration which are a part of the CGST Rules. The online forms can also be viewed at http://www.gst.gov.in*

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(i) Where and by when to apply for registration? [Section 25(1)]

Particulars	Where	When
Person who is liable to be registered under section 22 or section 24	in every such State/UT in which he is so liable	within 30 days from the date on which he becomes liable to registration
A casual taxable person or a non-resident taxable person		at least 5 days prior to the commencement of business
Every person who makes a supply from the territorial waters of India	in the coastal State/UT where the nearest point of the appropriate base line is located.	within 30 days from the date on which he becomes liable to registration



(37) Sugam Services Ltd. is engaged in taxable supply of services in Delhi. The turnover of Sugam Services Ltd. exceeded ₹ 20 lakh on 1st November. It is liable to apply for registration by 1st December in Delhi.

(38) Ravi runs a hardware store in Nagpur, Maharashtra. On 15th July, his aggregate turnover crosses ₹40 lakh (the threshold for goods), making him liable for registration. He must apply for registration in Maharashtra within 30 days from 15th July, i.e., latest by 14th August.

(39) Anjali, based in Pune, plans to set up a stall at a trade exhibition in Bengaluru, Karnataka, from 1st September to 10th September (a State where she has no fixed place of business). Being a Casual Taxable Person, she must apply for GST registration in Karnataka at least 5 days before 1st September.

(40) A fishing/trading vessel supplying goods from the territorial waters near the Tamil Nadu coastline must register in Tamil Nadu since that is the coastal State where the nearest base line point is located, within 30 days of becoming liable to register.

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(ii) State-wise registration [Section 25(2) read with rule 11]

(A) One registration per State

- Registration needs to be taken State-wise, i.e. there is no centralized registration under GST. A business entity having its branches in multiple States will have to take separate State-wise registration for its branches in different States.
- Further, within a State, an entity with different branches shall normally be granted a single registration wherein it can declare one place as principal place of business (PPoB) and other branches as additional places of business (APoB) The exception to this is provided below:

(B) Separate registration for different places of business within a State/UT may be granted

- Although a taxpayer having multiple places of business in one State is not mandatorily required to obtain a separate registration for each such place of business in the State, he has an option to obtain independent registrations with respect to each such separate place of business based on business requirements.
- In case a separate registration for each place of business has been obtained, such separately registered places of business of such person shall have to pay tax on supply of goods/ services/ both made to another registered place of business, of such person and issue a tax invoice/bill of supply, for such supply.
- A registered person opting to obtain separate registration for a place of business shall submit a separate application in Form GST REG 01 in respect of such place of business.



(41) Meethalal & Sons - a supplier in Maharashtra - has three branches in Mumbai, Pune and Mahabaleshwar. Mumbai and Pune branches are engaged in supply of garments and Mahabaleshwar branch engaged in supply of shoes. Either it can obtain single registration for Maharashtra declaring one of the branches as PPoB and other two branches as APoB or it can obtain separate GST registration for each of the three branches

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in Mumbai, Pune and Mahabaleshwar as separate places of business.

In case Meethalal & Sons opts to have separate registrations for its all three branches and Mumbai branch sends some garments [liable to GST] for sale to Pune branch, Mumbai branch must raise a tax invoice and pay tax on such transfer of garments to Pune branch.

(C) Composition levy in case of separate registration for multiple places of business within a State/UT

- If a person is paying tax for one of his places of business under normal scheme, he cannot opt to pay tax under composition levy for any other place of business.
- If one of the places of business [separately registered] of a registered person becomes ineligible to pay tax under composition levy, all other registered places of business of said person would also become ineligible to pay tax under composition levy.
- The provisions of rules 9 and 10 *[Discussed in subsequent paras]* relating to verification and grant of registration shall mutatis mutandis apply to an application submitted under this rule.

(iii) Voluntary registration [Section 25(3)]



A person who is not liable to be registered under section 22 or section 24 may get himself registered voluntarily. In case of voluntary registration, all provisions of this Act, as are applicable to a registered person, shall apply to such voluntarily registered person.

However, once a person obtains voluntary registration, he has to pay tax even though his aggregate turnover does not exceed the applicable threshold limit for registration (₹ 40 lakh/ ₹ 20 lakh/ ₹ 10 lakh, as the case may be). Voluntary registration is usually obtained by businesses for ensuring seamless flow of credit to their customers.

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(iv) Distinct Persons/ establishments of distinct persons [Section 25(4) & (5)]

A person who has obtained/ is required to obtain more than one registration, whether in one State/ Union territory or more than one State/Union territory shall, in respect of each such registration, be treated as **distinct persons**.

Further, where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as **establishments of distinct persons**. *These concepts have already been discussed in detail in Chapter 1– Supply under GST.*

(v) PAN must for obtaining registration [Section 25(6) & (7)]

A Permanent Account Number is mandatory to be eligible for grant of registration.

- A Non-Resident Taxable Person (NRTP) may be granted registration on the basis of other prescribed documents *[Elaborated in subsequent paras]*.

- A person required to deduct tax under section 51 may have, in lieu of a PAN, a Tax Deduction and Collection Account Number issued under the Income Tax Act in order to be eligible for grant of registration.

(vi) Unique Identity Number (UIN) [Section 25(9) & (10) read with rule 17]

Any specialized agency of the United Nations Organization or any Multilateral Financial institution and organization as notified under the United Nations (Privileges and Immunities) Act, 1947, consulate or embassy of foreign countries and any other person notified by the Commissioner, is required to obtain a UIN from the GSTN portal.

This UIN is needed for claiming refund of taxes paid on notified supplies of goods and/or services received by them, and for such other purpose as may be notified. The UIN granted would be a centralized UIN i.e. it shall be applicable to the whole territory of India. A person having UIN is not considered as a registered person and thus, is not a taxable person.

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The proper officer may, upon submission of an application in prescribed form or after filling up the said form or after receiving a recommendation from the Ministry of External Affairs, Government of India, assign a UIN to the said person and issue a certificate in Form GST REG 06 within **3 working days** from the date of submission of application.

(vii) *Suo-motu* registration by the proper officer [Section 25(8) read with rule 16]

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 prescribed form.

****Such person shall either:**

(i) submit an application for registration in prescribed form within 90 days from the date of grant of temporary registration, or

(ii) file an appeal against such temporary registration.

In case (ii), if the Appellate Authority upholds the liability to registration, application for registration shall be submitted within 30 days from the date of issuance of such order of the Appellate Authority.

Provisions relating to verification and issue of registration certificate [as contained in rules 9 and 10] *[discussed in subsequent paras]* shall, *mutatis mutandis*, apply to such application submitted by the person granted temporary registration.

GSTIN thereafter granted shall be effective from the date of order of proper officer granting temporary registration.

(viii) Procedure for registration [Section 25 read with rules 8, 9 & 10]

Provisions relating to procedure for application for registration, verification of the application and approval & issue of registration certificate are contained in the rules 8, 9 and 10 respectively. The same have to be read in conjunction with the provisions of section 25.



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The procedure for obtaining registration as prescribed under rules 8, 9 and 10 is also applicable to a person paying tax under composition levy, every person seeking voluntary registration as well as a casual taxable person.

Such persons shall apply for registration in **Form GST REG 01.** The application for registration in GST Form REG 01 is divided into two parts – Part A and Part B.

Above procedure will not apply to:

- **Non-resident taxable person (NRTP)**
- **A person required to deduct tax at source under section 51**
- **A person required to collect tax at source under section 52**
- **A person supplying OIDAR services from a place outside India to a non-taxable online recipient referred to in section 14 of the IGST Act.**
- **A person supplying online money gaming from a place outside India to a person in India referred to in section 14A of the IGST Act.**

Facilitation centres

In order to cater to the needs of tax payers who are not IT savvy, Facilitation centres have been established which help the taxpayer in submitting the application for registration, amending the registration certificate, submitting application for cancellation of registration, revocation of cancellation of registration, etc. Facilitation Centre shall be responsible for the digitization and/or uploading of the forms and documents.



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Application for registration by Special Economic Zone (SEZ) [Second proviso to section 25(1)]: A person having unit in SEZ/an SEZ developer will have to make a separate application for registration as distinct from his place of business located outside SEZ in the same State/UT.



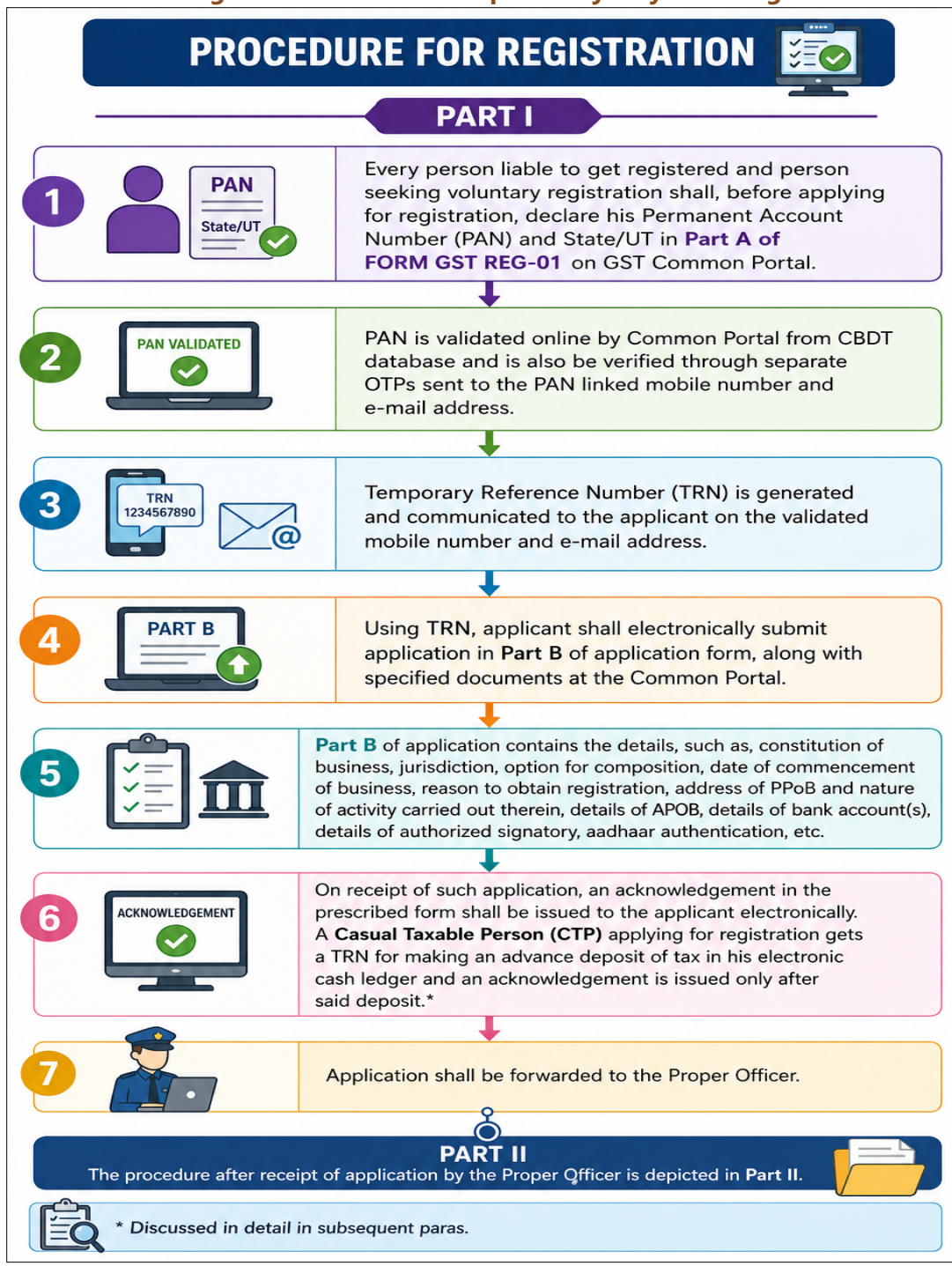
Thus, there may be a case where two units of a tax payer are located in same State/UT - one in SEZ and another outside SEZ. In that case, separate registrations have to be obtained for each of the two units as separate places of business.

(42) Suvarna Industries is engaged in manufacturing activities in Uttar Pradesh. It has two manufacturing units in UP - one in SEZ and another outside SEZ. Under GST, one registration per State is required. However, since in this case, one of the two units of Suvarna Industries is located in SEZ, SEZ unit will have to compulsorily make a separate application for registration as a place of business distinct from unit located outside SEZ in the same State

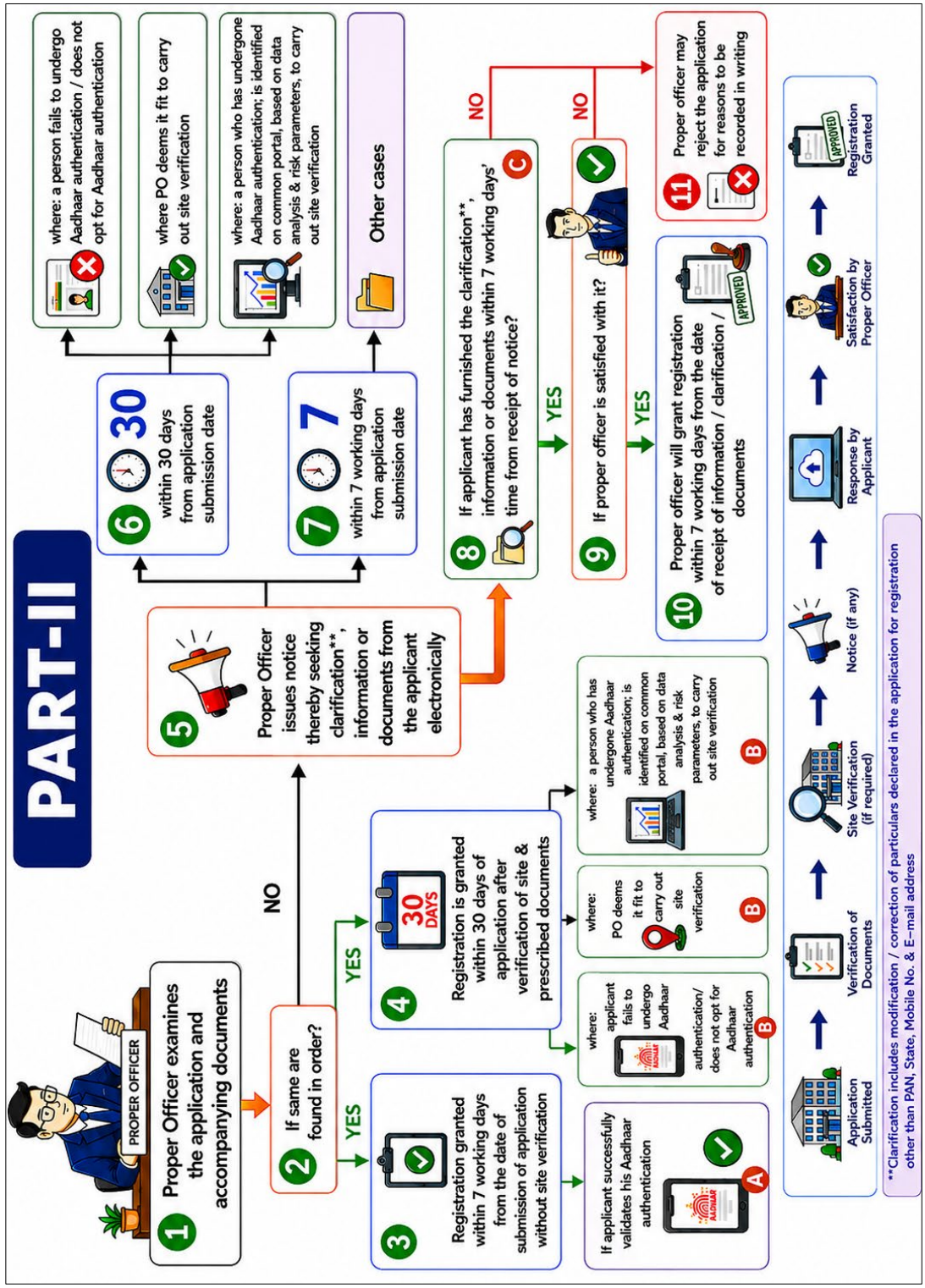
Application for registration by Input Service Distributor [Second proviso to rule 8(1)]: Every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor. There is no threshold limit for registration for an ISD. A person who follows ISD mechanism is required to obtain a separate registration even though it may be otherwise registered in the same State, though the application shall be made in Form GST REG 01 only. An office of a person like marketing division, security division etc. which receives common services getting consumed by different GST registered locations may apply for a separate ISD registration.

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Procedure for registration has been depicted by way of a diagram below:



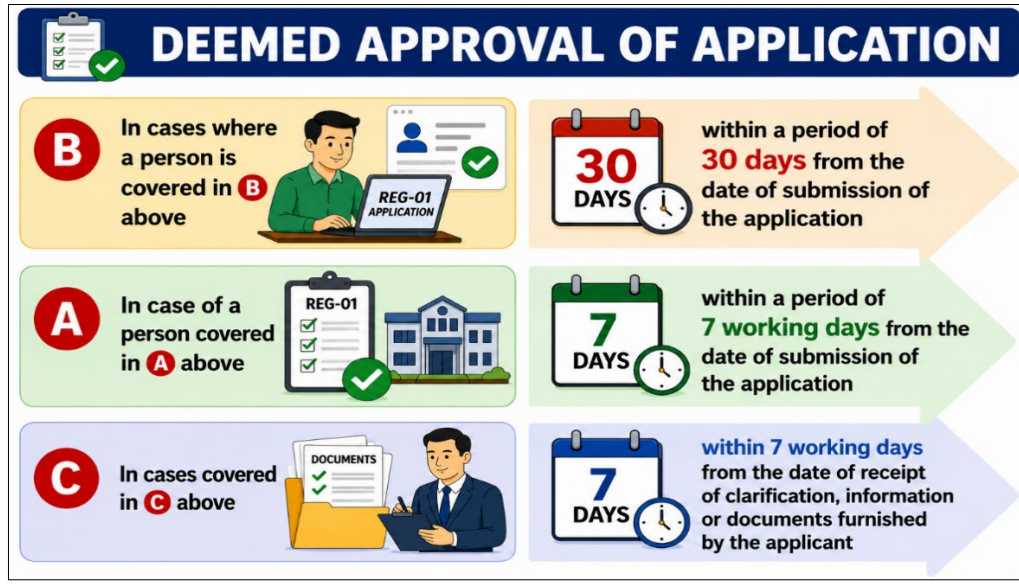
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Deemed Approval of Application

If the proper officer fails to take any action in the following cases within the stipulated time, the application for grant of registration shall be deemed to have been approved-



To summarise Deemed Approval:

- In case of successful authentication of Aadhaar and no SCN being issued, registration will be deemed to be approved within 7 working days.
- Tax Officer can issue SCN within 7 working days, for grant of registration, in cases of successful Aadhar authentication.
- If Aadhar authentication is not opted for/ aadhaar authentication fails in validation/ PO deems it fit to carry out site verification and no SCN is issued, registration will be deemed to be approved within 30 days by tax officer. However, the PO can issue SCN upto 30 days.
- In both the cases above where SCN is issued, applicants can submit their reply within 7 working days from issue of SCN.

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AADHAAR AUTHENTICATION

[Section 25(6A), (6B), (6C) & (6D) read with rules 8, 9, 10B and 25]

As seen above, there's a simplified registration procedure under GST. However, this easy registration procedure was unduly misused by fly-by-night operators. Thus, in an endeavor to curb/check such operators and to increase compliance, aadhaar e-KYC based registration has been introduced under the GST law. Aadhaar authentication is mandatory for the new applicants (whether an individual applicant or otherwise) in order to be eligible for grant of registration. Aadhaar Authentication is required to be complied with, by the persons applying for GST registration as normal taxpayer/ composition/ casual taxable person/ Input Service Distributor (ISD)/ SEZ Developer/ SEZ Unit etc. in Form GST REG 01.



Existing registrants (those who are already registered under GST) are also required to undergo aadhaar authentication.

How is the aadhaar authentication done?

New registrants

While filing the application for registration, the applicant gets an option as to whether he wants to opt for an Aadhaar authentication or not. If he opts 'Yes' for Aadhaar authentication, GST system sends "authentication link" on the mobile numbers and email ids (mentioned in the registration application) of promotor/partner, and primary authorized signatory which are selected by the applicant[15].

On clicking the verification link, a window for Aadhaar authentication opens where they enter the Aadhaar Number and the OTP received by them on the mobile number and email id linked with Aadhaar.

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[15] *While opting for Aadhaar authentication, the applicant needs to select atleast 1 Primary Authorized Signatory and 1 Promoter/ Partner/Karta/Director/Member for authentication purposes.*

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Once Aadhaar authentication has been successfully validated, his application will be deemed to be approved within 7 working days and the registration application submitted by him will not be marked for mandatory site visit, unless the tax official raises a show cause notice within stipulated time.

However, in case the applicant does not opt for Aadhaar authentication while applying for registration or where his Aadhar authentication fails in validation, or where he has undergone aadhaar authentication and is identified for site visit based on data analysis and risk parameters or where proper officer deems it fit to carry out site visit, registration application will not be deemed approved within 7 working days and it will be marked for mandatory site visit and approval thereafter, by the tax official. Registration application will get deemed approved after 30 calendar days, if tax official doesn't take any action.

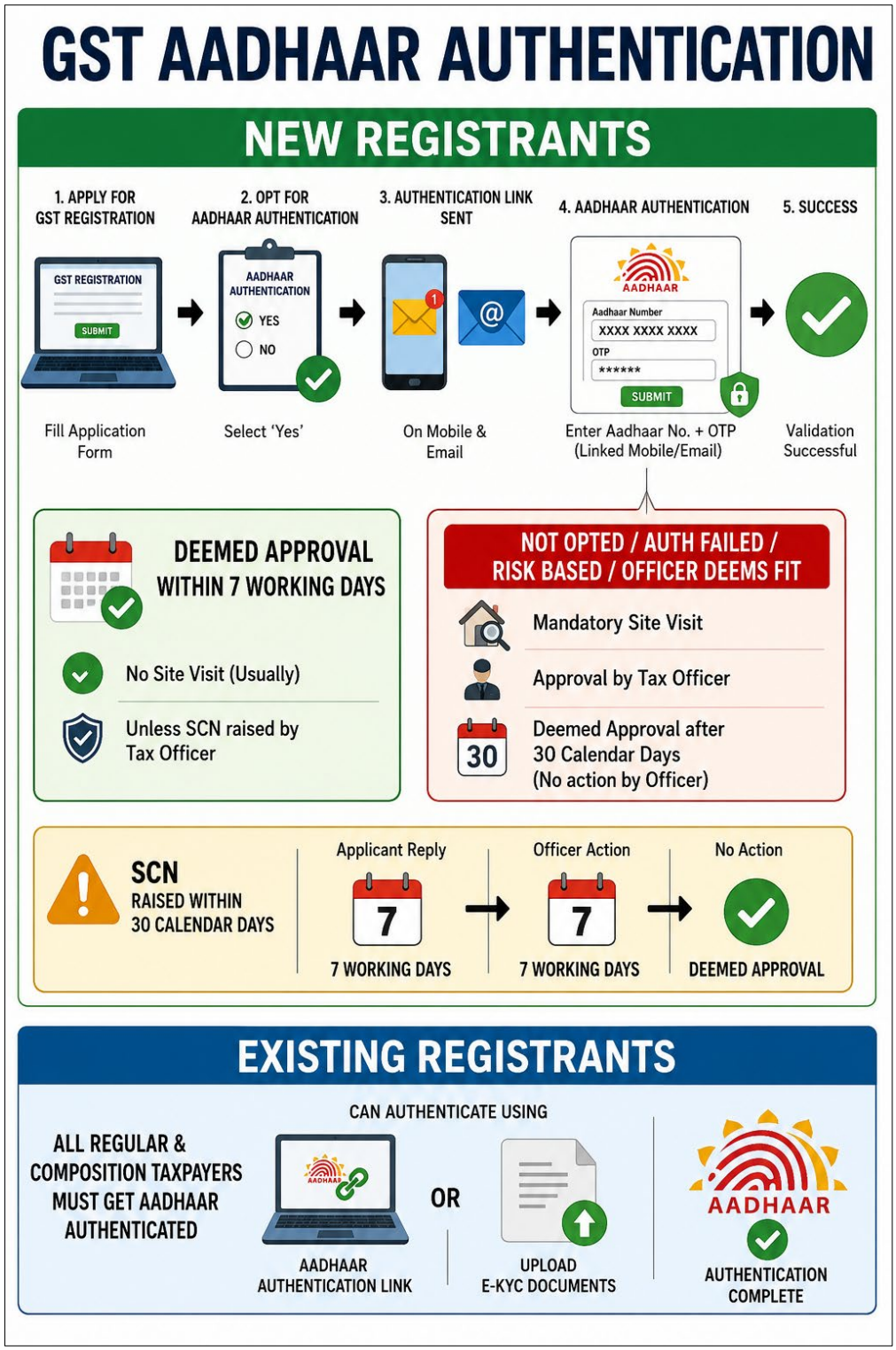
If tax official raises SCN within 30 calendar days, then applicant has 7 working days to reply to it. Tax official can take further action on that reply within 7 working days. If tax official doesn't take any action after receipt of applicant's reply within next 7 working days, his application will get deemed approved.

Existing registrants

All the regular taxpayers and composition taxpayer are required to get Aadhaar authenticated for existing GST registration. An existing taxpayer can get himself Aadhaar authenticated on GST portal using either Aadhaar authentication link or uploading E-KYC documents[16].

[16] *It is not mandatory for every authorized signatory, promoter or partner to get Aadhaar authenticated for an existing GST registration. The Aadhaar authentication will be needed only for 1 Primary Authorized Signatory and 1 Promoter/ Partner/ Karta/ Director/ Member.*

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Let us go through the aadhaar authentication process in detail:

A. AADHAAR AUTHENTICATION PROCESS

As per section 25(6A), (6B) and (6C), following persons are required to undergo aadhaar authentication:

(1) New applicant [Rule 8(4A), (4B) and (5)]

Every (i) individual applicant or (ii) an applicant, other than an individual, shall undergo authentication/furnish proof of possession of Aadhaar number, in the manner prescribed in rule 8[1].

(i) Where an applicant opts for authentication of Aadhaar number:

Rule 8(4A) provides that where an applicant opts for authentication of Aadhaar number, he shall, while submitting an application for registration, undergo authentication of Aadhaar number. **Said authentication is required to be eligible for grant of registration.**

Date of submission of the application in such cases shall be earlier of:

(a) the date of authentication of the Aadhaar number,

or

(b) 15 days from the submission of the application in Part B of Form GST REG-01.

Whose aadhaar numbers shall be verified?

In case applicant is an individual, he shall undergo authentication of his own aadhaar number.

In case applicant is other than individual, the authentication will be 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 notified class of persons *[authorised signatory of all types, Managing and Authorised partners of a partnership firm and Karta of a Hindu Undivided Family, have been so notified*[2]*]* (E)

[1] *Notification No. 18/2020 CT dated 23.03.2020*
[2] *Notification No. 19/2020 CT dated 23.03.2020*

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Risk-based biometric-based aadhaar authentication of registration applicants[3]

An applicant who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by **biometric-based Aadhaar authentication and taking photograph**:

(i) of the applicant where the applicant is an individual

or

(ii) of notified individuals (mentioned as (E) above) in relation to the applicant where the applicant is not an individual,

along with the verification of the original copy of the documents uploaded with the application form at one of the notified Facilitation Centres.

The application shall be deemed to be complete only after completion of the process laid down hereunder.

An acknowledgement shall be issued to the applicant only after completion of biometric-based authentication.

(ii) Where an applicant does not opt for authentication of Aadhaar number[4]: The application of a person who has not opted for authentication of Aadhaar number, shall be followed by taking photograph:

- of the applicant where the applicant is an individual or
- of notified individuals (mentioned as (E) above) in relation to the applicant where the applicant is not an individual,

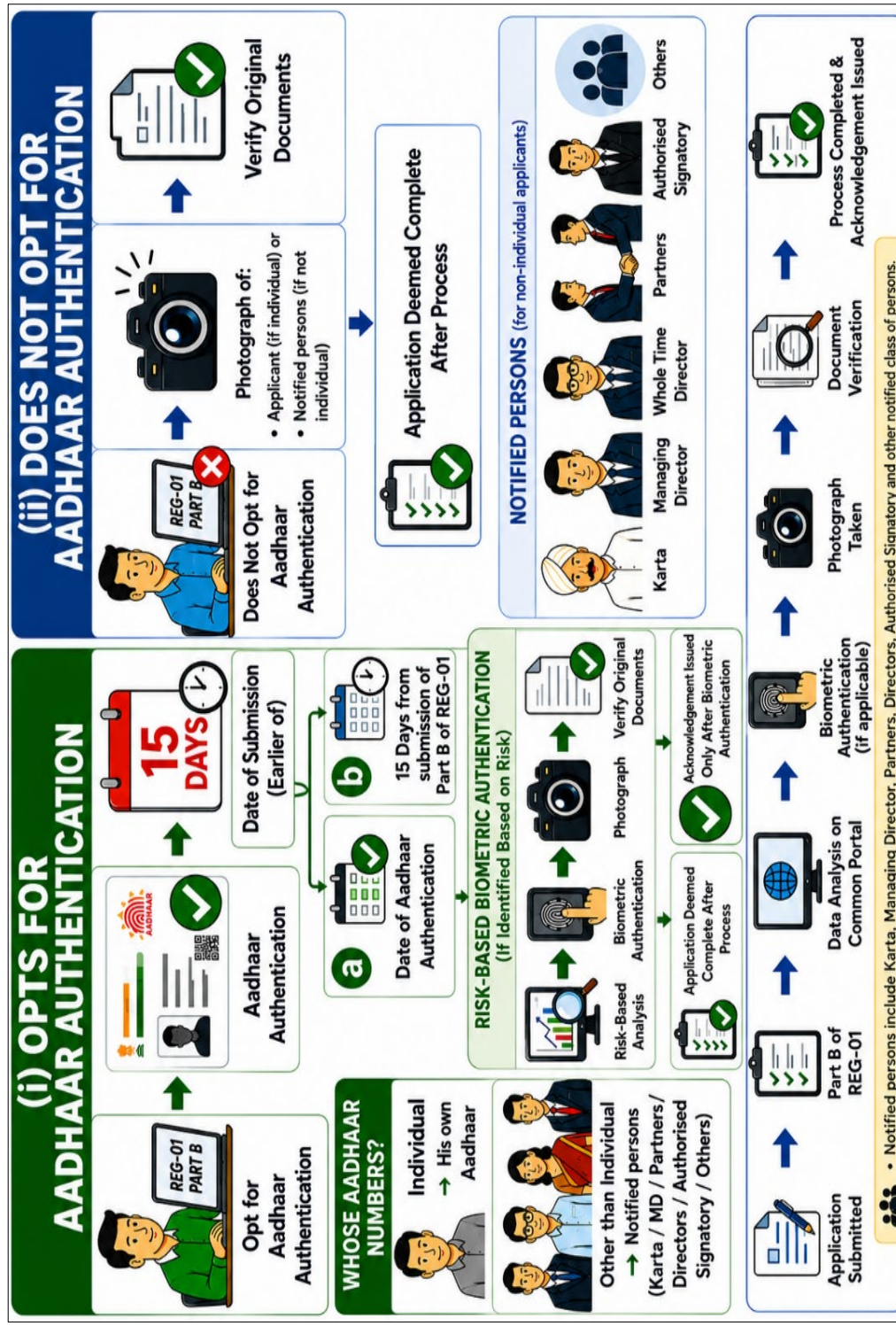
along with the verification of the original copy of the documents uploaded with the application form at one of the notified Facilitation Centers. The application shall be deemed to be complete only after completion of the process laid down hereunder.

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[3] *First proviso to rule 8(4A)*

[4] *Second proviso to rule 8(4A)*

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(2) Persons already registered

Every registered person shall undergo authentication/furnish proof of possession of Aadhaar number, in prescribed form and manner and within the prescribed time.

The manner in which aadhaar authentication needs to be done by a registered person is prescribed as under:-

A registered person, who has been issued a certificate of registration under GST, shall undergo authentication of the Aadhaar number of:-

- Proprietor, in the case of proprietorship firm,
- Any partner, in the case of a partnership firm,
- Karta, in the case of a Hindu undivided family,
- Managing director or any whole-time director, in the case of a company,
- Any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or
- Trustee in the Board of Trustees, in the case of a Trust;

and of the Authorized Signatory,

in order to be eligible for the following purposes:

- ✓ for filing of application for revocation of cancellation of registration [Rule 23]
- ✓ for filing of refund application in Form RFD-01 [Rule 89]
- ✓ for refund of the IGST paid on goods exported out of India [Rule 96[5]].

[5] *Provisions of rules 89 and 96 have been discussed in detail in Chapter 15 – Refunds in Module 3 of this Study Material.*

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B. WHERE AADHAAR NUMBER IS NOT ASSIGNED

(1) In case of new applicant

If an aadhaar number is not assigned to a new applicant – either (i) an individual or (ii) person/class of persons (other than individual), such individual/person/class of persons shall be offered alternate and viable means of identification in the manner specified in rule 9[6].

Proviso to rule 9(1) provides that where

(i) a person fails to undergo authentication of aadhaar number or does not opt for authentication of Aadhaar number, or

(ii) a person, who has undergone authentication of Aadhaar number, is identified on the common portal, based on data analysis and risk parameters for carrying out physical verification of places of business

(iii) the proper officer (PO), with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business

the registration shall be **granted within 30 days** of submission of application **only after physical verification** of the principal place of business, in the prescribed manner (specified in rule 25 discussed subsequently) and verification of such documents as the proper officer may deem fit.

2. In case of already registered persons [Rule 10B]

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[7].

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[6] *Provisos to section 25(6B) and 25(6C) read with Notification No.s 18 and 19/2020 CT both dated 23.03.2020*

[7] *First proviso to section 25(6A)*

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Such manner has been prescribed as follows:

If Aadhaar number has not been assigned to the person required to undergo authentication of the Aadhaar number, such person shall furnish the following identification documents, namely: –

(a) his/ her Aadhaar Enrolment ID slip; and

(b) (i) Bank passbook with photograph; or

(ii) Voter identity card issued by the Election Commission of India; or

(iii) Passport; or

(iv) Driving license issued by the Licensing Authority

However, once Aadhaar number is allotted to such person, he shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number.

In case of failure to undergo aadhaar authentication/furnish proof of possession of Aadhaar number/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[8].

C. Persons/class of persons exempt from aadhaar authentication

Section 25(6D) stipulates that above provisions shall not apply to such person or class of persons or any State or Union territory or part thereof, as may be notified.

Following persons have been notified in this regard[9]:

- A person who is not a citizen of India
- Department or establishment of State Government or Central Government
- Local authority

[8] *Second proviso to section 25(6A)*
[9] *Notification No. 03/2021 CT dated 23.02.2021*

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- Statutory body
- Public Sector Undertaking
- A person applying for Unique Identity Number under section 25(9)

Furnishing of bank account details [Rule 10A]



As seen in the diagram outlining the procedure for registration, while filing the application for registration on GST portal, in Part B of the application form, a person is required to furnish the details of his bank account. Rule 10A relaxes this requirement to a limited extent. In pursuance to the same, the registered person is allowed to furnish information within a period of 30 days from the date of grant of registration, or before furnishing the details of outward supplies of goods or services or both under section 37 in GSTR-1 or using IFF, whichever is earlier, furnish information with respect to details of bank account on the common portal.

In short, a taxpayer has an option to give his bank account details after obtaining registration, **within 30 days from the date of grant of registration or the due date of furnishing details of outward supplies, whichever is earlier.**

However, this relaxation is not available for those who have been granted registration as TDS deductor/ TCS collector under rule 12 or *suo-motu* registration under rule 16. They are mandatorily required to furnish the bank account details at the time of filing the application for registration.

Physical verification of business premises in certain cases [Rule 25]



(1) **Where the proper officer is satisfied that the physical verification of the place of business of a person is required AFTER the grant of registration:** he may get such verification of the place of business done and the verification report along with the other documents, including photographs,

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shall be uploaded in prescribed form on the common portal within a period of 15 working days following the date of such verification.

(2) Where the physical verification of the place of business of a person is required BEFORE the grant of registration in the circumstances specified in the proviso to rule 9(1) [as given in earlier]: the proper officer shall get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in prescribed form on the common portal at least 5 working days prior to the completion of the time period specified in the said proviso.



Fast track registration for low risk applicants [Rule 9A]

In order to make GST registration easier and faster for honest, low-risk taxpayers, while still keeping strict checks for suspicious or high-risk applicants, faster registration mechanism has been devised under rule 9A.

Any person who has applied for registration under:

- ***rule 8[10] or***
- ***rule 12[11] or***
- ***rule 17[12]***

shall, upon identification on the common portal based on data analysis and risk parameters, be granted registration electronically by the common portal, within 3 working days from the date of submission of application.

This rule overrides rule 9[13]. This implies that if the system's data analysis and risk-assessment algorithms classify the applicant as "low risk", he will

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[10] *Application for registration*

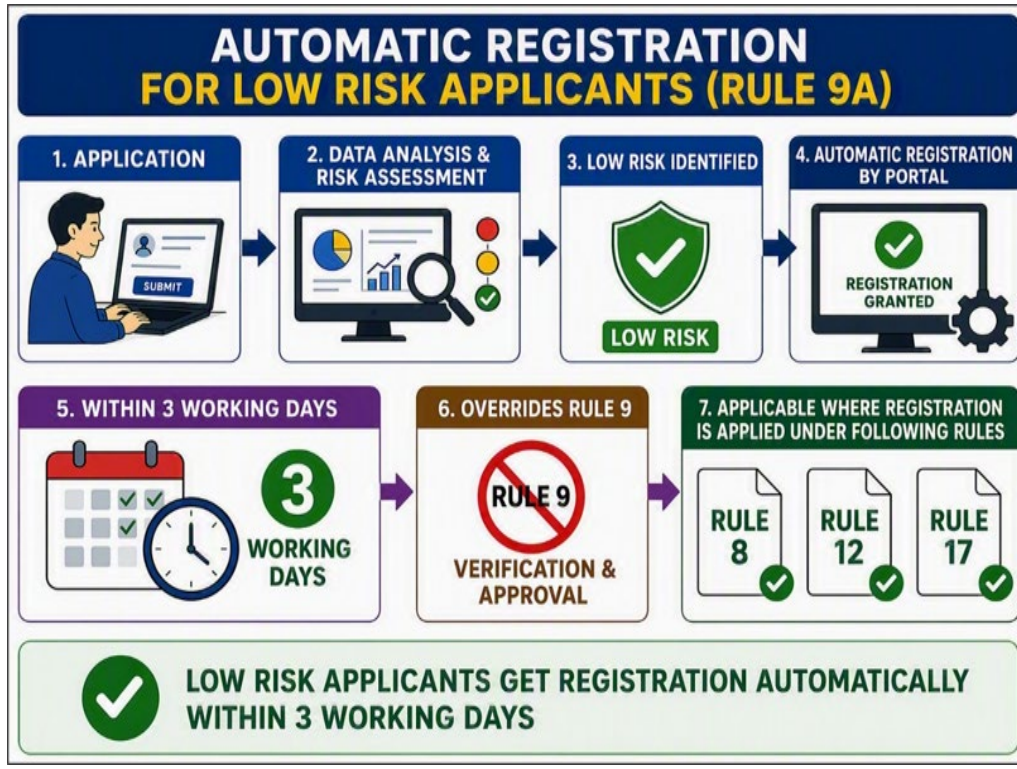
[11] *Grant of registration to persons required to deduct tax at source or to collect tax at source*

[12] *Assignment of Unique Identity Number to certain special entities*

[13] *Verification of the application and approval*

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be automatically granted registration within 3 working days by the common portal.



Fast track registration for small tax payers [Rule 14A]

Rule 14A introduces a simplified and faster mode of GST registration for small taxpayers whose monthly output tax liability on B2B supplies does not exceed ₹ 2.5 lakh. Under this option, a person can get registered electronically within 3 working days, based purely on Aadhaar authentication, without the need for physical verification (no site visit).

Who is eligible?

A person is eligible to opt for registration under rule 14A provided:

- ***He has made an application for registration under rule 8***
- ***His total output tax liability on supply of goods and/or services made to registered persons (CGST and SGST/UTGST and IGST and compensation cess) does not exceed ₹ 2.5 lakh per month.***

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- ***He must opt for and undergo successful Aadhaar authentication[14].***

Single Registration per State/UT

A taxpayer can have only one registration per State/UT under this option against same PAN[15].

Grant of registration within 3 working days

Once Aadhaar number is successfully authenticated, registration is granted electronically by the common portal within 3 working days from date of submission of application.

Exiting from the option

If the registered person intends to withdraw from the option, he shall file an application in the prescribed form[16].

Restrictions on withdrawal of option:

A registered person shall be allowed to file application for withdrawal of option only if:

- ***he has furnished:***
  - ***minimum 1 tax period's return, and***
  - ***all the returns due for the period from the effective date of registration till the date of application for withdrawal.***
- ***no cancellation proceedings under section 29 have been initiated against such registered person.***

Changes in particulars furnished in registration application: Where there is any change in particulars furnished in application for registration in prescribed form, such particulars should be amended before filing an application for withdrawal.

---

[14] ***except cases notified under section 25(6D)***

[15] ***It overrides rule 11 providing separate registration for multiple places of business within a State/UT.***

[16] ***One of the most common reasons for opting for withdrawal is that the taxpayer's monthly output tax liability on B2B supplies exceeds ₹2.5 lakh.***

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Aadhaar authentication and other verification to apply to withdrawal based on data analysis and risk parameters

Based on data analysis and risk parameters on the common portal, the provisions of rule 8(4A) relating to authentication of Aadhaar number or biometric-based Aadhaar authentication, taking photograph of the applicant along with verification of original copy of documents uploaded along with registration application, shall also apply to application for withdrawal.

Issue of acknowledgement

An acknowledgement for withdrawal of option shall be issued electronically.

Order approving/rejecting the withdrawal application

The application filed for withdrawal shall be duly verified in accordance with the prescribed manner.

After verification, the proper officer will issue an order within the specified period, either,:

- ***allowing the application for withdrawal, or***
- ***rejecting the application for withdrawal***

Once withdrawal is allowed:

- ***The registered person shall be able to furnish the details of output tax liability on supply of goods and/or services made to registered persons, exceeding ₹ 2.5 lakh from the first day of succeeding month in which the said order has been issued.***
- ***He cannot raise its output tax liability beyond the prescribed limit of ₹2.5 lakh for the period prior to the first day of succeeding month in which the withdrawal order has been issued.***

Where proceedings for cancellation of registration have been initiated by the proper officer after the filing of withdrawal application and the said proceedings are pending, the withdrawal application shall be rejected by the proper officer and the provisions in relation to approval of application on deemed basis under rule 9(5), shall not be applicable in such case.

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(43) ABC Electronics applies for GST registration on 10th November. The monthly GST liability on B2B supplies (CGST + SGST + IGST) is ₹ 2.10 lakh. Aadhaar authentication is completed successfully and all prescribed conditions under rule 14A are satisfied. ABC Electronics is eligible for Fast Track Registration under rule 14A. Registration will be granted within 3 working days electronically.

(44) XYZ Traders applies for registration. Its monthly GST liability on B2B supplies is ₹ 3.40 lakh. XYZ Traders is not eligible for rule 14A because its monthly B2B GST liability exceeds ₹ 2.5 lakh. It must follow the normal registration procedure.

(45) PQR Garments has GST liability on supplies to registered persons (B2B) of ₹ 2.20 lakh and GST liability on supplies to unregistered persons (B2C): ₹ 5.50 lakh. Only the GST liability on B2B supplies is relevant for rule 14A. Since the B2B tax liability is within ₹ 2.5 lakh per month, PQR Garments can opt for rule 14A, while applying for registration, subject to fulfilment of other conditions.

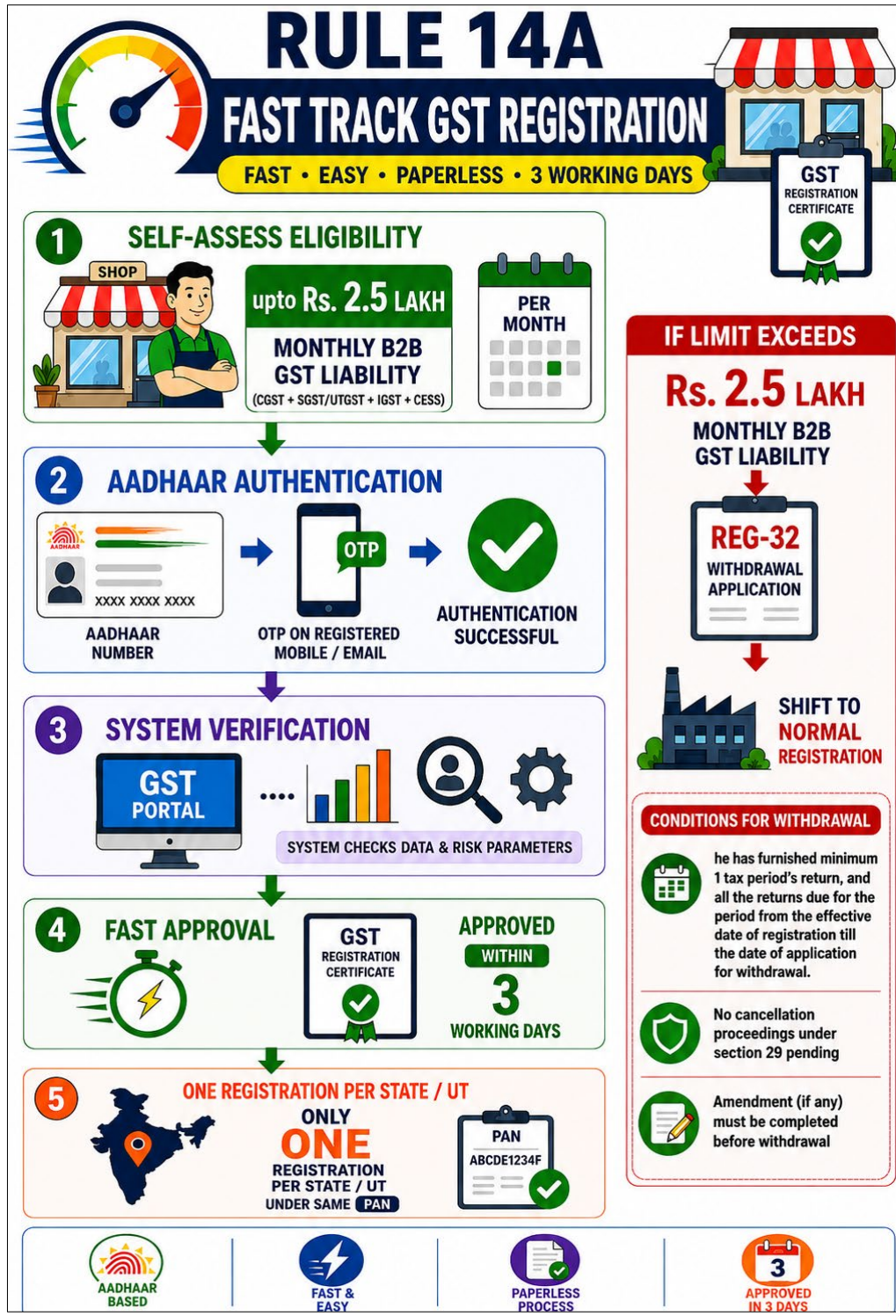
(46) Sunrise Enterprises has three branches in Rajasthan under the same PAN. It wants separate rule 14A registrations for each branch. It is not permissible. Under rule 14A, only single registration can be obtained in a State/UT under the same PAN.

(47) Bright India Ltd. has one business establishment in Delhi and another in Haryana. Both satisfy the conditions of rule 14A. The company may obtain one rule 14A registration in Delhi and one rule 14A registration in Haryana, since registration under GST is State-wise.

(48) Suresh, registered under rule 14A in Jaipur, finds that his business has grown and his monthly B2B output tax has exceeded ₹ 2.7 lakh, exceeding the ₹ 2.5 lakh cap. He must file application to withdraw from rule 14A. Before filing, he ensures all his pending GST returns are filed and confirms that no cancellation proceedings under section 29 are pending against him.

(49) Nikhil's withdrawal application from rule 14A is approved by the proper officer on 18th June. He can now report B2B output tax liability exceeding ₹ 2.5 lakh only from 1st July (first day of the month following the withdrawal order), he cannot report liability beyond ₹ 2.5 lakh for any period before 1st July, even though his order was passed on 18th June itself.

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Issuance of registration certificate [Rule 10]

Where the application for grant of registration has been approved under rule 9, ***rule 9A and rule 14A***, a certificate of registration [duly signed or verified through EVC by the proper officer] in **Form GST REG-06** showing the PPoB and APoB is made available to the applicant on the Common Portal and a Goods and Services Tax Identification Number (hereinafter referred to as "GSTIN") i.e. the GST registration no. is communicated to applicant, within 3 days after the grant of registration.

GSTIN format

State Code		PAN									Entity Code		Check sum character

Display of registration certificate and GSTIN on the name board [Rule 18]

Every registered person shall display his registration certificate in a prominent location at his PPoB and at every APoB. Further, his GSTIN also has to be displayed on the name board exhibited at the entry of his PPoB and at every APoB.

(ix) Effective date of registration [Rule 10]

Where an applicant submits application for registration	Effective date of registration is
Within 30 days from the date the person becomes liable to registration	Date on which person becomes liable to registration
After 30 days from the date the person becomes liable to registration	Date of grant of registration

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(50) Sugam Services Ltd. is engaged in taxable supply of services in Madhya Pradesh. The turnover of Sugam Services Ltd. exceeded ₹ 20 lakh on 1st November. It is required to submit the application for registration upto 1st December [30 days] in the State of Madhya Pradesh. It applies for registration on 28th November and is granted registration certificate on 5th December. The effective date of registration of Sugam Services Ltd. is 1st November.

(51) In above example, if Sugam Services Ltd. applies for registration on 3rd December and is granted registration certificate on 10th December. The effective date of registration of Sugam Services Ltd. is 10th December.

(x) Special provisions for grant of registration in case of Non-Resident Taxable Person (NRTP) and Casual Taxable Person (CTP) [Sections 25 & 27 read with rules 13 & 15]

(A) Meaning of casual taxable person and non-resident taxable person

Before going into nuances of the registration provisions of CTP and NRTP, let us first understand the meaning of casual taxable person and non-resident taxable person:

Casual Taxable Person



There may be case where a person has a registered business in some State in India, but wants to effect supplies from some other State in which he does not have any fixed place of business. Such person needs to register in the State from where he seeks to supply as a 'casual taxable person'.



CGST Act defines a **casual taxable person** as 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/UT where he has no fixed place of business** [Section 2(20)]. Further, he cannot exercise the option to pay tax under composition levy.

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(52) Krishnadev & Co., engaged in supplying taxable goods, is registered in Rajasthan. It wishes to participate in a 5 days' business exhibition being held in Delhi. However, it does not have a fixed place of business in Delhi.

In this case, Krishnadev & Co. has to obtain registration as a casual taxable person in Delhi.

Non-Resident Taxable Person



A person who is a foreigner and occasionally wants to effect taxable supplies from any State in India needs GST registration for the same. Such person needs to register in the State from where he seeks to supply as a non-resident taxable person. CGST Act defines **non-resident taxable person** as 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 [Section 2(77)]. He cannot exercise the option to pay tax under composition levy.

Based on the aforesaid definitions, following points merit consideration:

- A CTP does not have a fixed place of business in the State/UT where he undertakes supply though he might be registered with regard to his fixed place of business in some other State/UT, while a NRTP does not have fixed place of business/residence in India at all.
- A CTP has to undertake transactions in the course or furtherance of business whereas the business test is absent in the definition of NRTP.

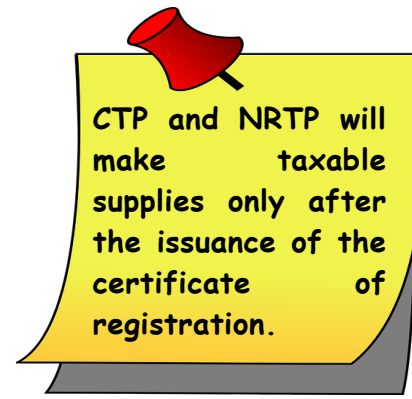
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(B) Special registration provisions of casual taxable person and non-resident taxable person

GST law prescribes special procedure for registration, as also for extension of the operation period of such casual or non-resident taxable persons. They have to apply for registration at least 5 days in advance before making any supply. Also, registration is granted to them or period of operation is extended, only after they make advance deposit of the estimated tax liability. The **special registration procedure** pertaining to CTP and NRTP is as follows:

(A) Both CTP[17] and NRTP have to compulsorily get registered under GST irrespective of the threshold limit, at least 5 days prior to commencement of business.

(B) As per section 25(6), every person must have a PAN to be eligible for registration. Since NRTP will generally not have a PAN of India, he may be granted registration on the basis of other prescribed documents.



Thus, a NRTP being an individual has to submit a self-attested copy of his **valid passport** along with the application duly signed or verified through electronic verification code by his authorized signatory who is an Indian Resident having valid PAN. However, in 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 PAN, if available.

[17] *Subject to exemption from registration under Notification No. 56/2018 CT dated 23.10.2018*

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Application will be submitted by NRTP in a different prescribed form whereas CTP will submit the application for registration in the normal form for application for registration i.e. Form GST REG 01 and his registration of CTP will be a PAN based registration.

(C) Period of validity of registration certificate granted to CTP/NRTP

Registration Certificate granted to CTP/NRTP will be valid for:

(i) Period specified in the registration application, or

(ii) 90 days from the effective date of registration [can be extended further by a period not exceeding 90 days by making an application before the end of the validity of registration granted to him**]

whichever is earlier.

Provisions relating to verification of application and grant of registration [under rules 9 and 10] will apply *mutatis mutandis*, to an application for registration filed by NRTP.

(D) Advance deposit of tax

At the time of submitting the registration application, CTP/NRTP are required to make an **advance deposit of tax** of an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought.

Further, CTP/NRTP will get a Temporary Reference Number (TRN) for making an advance deposit of tax which shall be credited to his electronic cash ledger. An acknowledgement of receipt of application for registration is issued only after said deposit

Such advance tax deposit amount should be calculated after considering the due eligible ITC which might be available to such casual taxable person *[Circular No. 71/45/2018 GST dated 26.10.2018]*.

***Where extension of time is sought, CTP/NRTP will deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.*

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Registration of participants of long running exhibitions



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.

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.

In such cases, he would not be required to pay advance tax [Refer Point D] for the purpose of registration. He can surrender such registration once the exhibition is over *[Circular No. 71/45/2018 GST dated 26.10.2018]*.

(xi) Deemed registration [Section 26]

Registration under GST is not tax specific, which means that there is single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cess.

Grant of registration/UIN under any SGST Act/ UTGST Act is deemed to be registration/UIN granted under CGST Act provided application for registration has not been rejected under CGST Act.

Further, rejection of application for registration/UIN under SGST Act/UTGST Act is deemed to be rejection of application for registration under CGST Act.

(xii) Special provisions for grant of registration in case of persons required to deduct tax at source under section 51 or to collect tax at source under section 52 [Rule 12]

An application for registration has to be submitted by such persons in a different prescribed form at GST Common Portal. They would be granted registration within **3 working days** from the date of submission of application after due verification.

When a person is applying for registration to collect TCS or to deduct TDS in a State/UT where he does not have a physical presence, he shall mention

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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. Thus, States/UTs mentioned in Part A and Part B of the application form may be different.

Where, on a request made in writing by a person to whom a registration has been granted under rule 12(2) or upon an enquiry or pursuant to any other proceeding under the CGST Act, the proper officer is satisfied that a person to whom a certificate of registration has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued and such cancellation shall be communicated to the said person electronically in prescribed form. Proper Officer shall follow the procedure laid down for cancellation of registration prescribed under this Act and rules therein.

(xiii) Special provisions for grant of registration in case of (i) person supplying online information and data base access or retrieval services (OIDAR services) from a place outside India to a non-taxable online recipient (ii) person supplying online money gaming from a place outside India to a person in India [Rule 14]

Application for registration has to be submitted by such persons in a different prescribed form. They would be granted registration subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.



In this Chapter, while elaborating the registration provisions contained in Chapter - III Registration of CGST Rules, 2017, only Registration forms - Form GST REG-01 and Form GST REG-06 have been discussed. Students are advised to go through various forms/formats relating to registration at http://www.cbic.gov.in. for knowledge purposes.

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8. AMENDMENT OF REGISTRATION [SECTION 28]

STATUTORY PROVISIONS

Section 28	Amendment of registration
Sub-section	Particulars
(1)	*Every registered person and a person to whom a Unique Identity Number has been assigned shall inform the proper officer of any changes in the information furnished at the time of registration or subsequent thereto, in such form and manner and within such period as may be prescribed.*
(2)	*The proper officer may, on the basis of information furnished under sub-section (1) or as ascertained by him, approve or reject amendments in the registration particulars in such manner and within such period as may be prescribed.* *Provided that approval of the proper officer shall not be required in respect of amendment of such particulars as may be prescribed.* *Provided further that the proper officer shall not reject the application for amendment in the registration particulars without giving the person an opportunity of being heard.*
(3)	*Any rejection or approval of amendments 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 rejection or approval under this Act.*

ANALYSIS

A **registered person or UIN holder** may need to make some changes/amendments in the registration application. There are two categories of details in registration application – core and non-core fields.

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Core fields are name of the business, (legal name) if there is no change in PAN, addition / deletion of stakeholders[18], principal place of business (other than change in State) or additional place of business (other than change in State). All other fields are **non-core fields** like name of day to day functionaries, e-mail ids, mobile numbers etc.

In case the change is in **core information** in the registration application, 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 – **non-core information**, 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.

The provisions relating to amendment of registration are contained in section 28 read with rule 19.

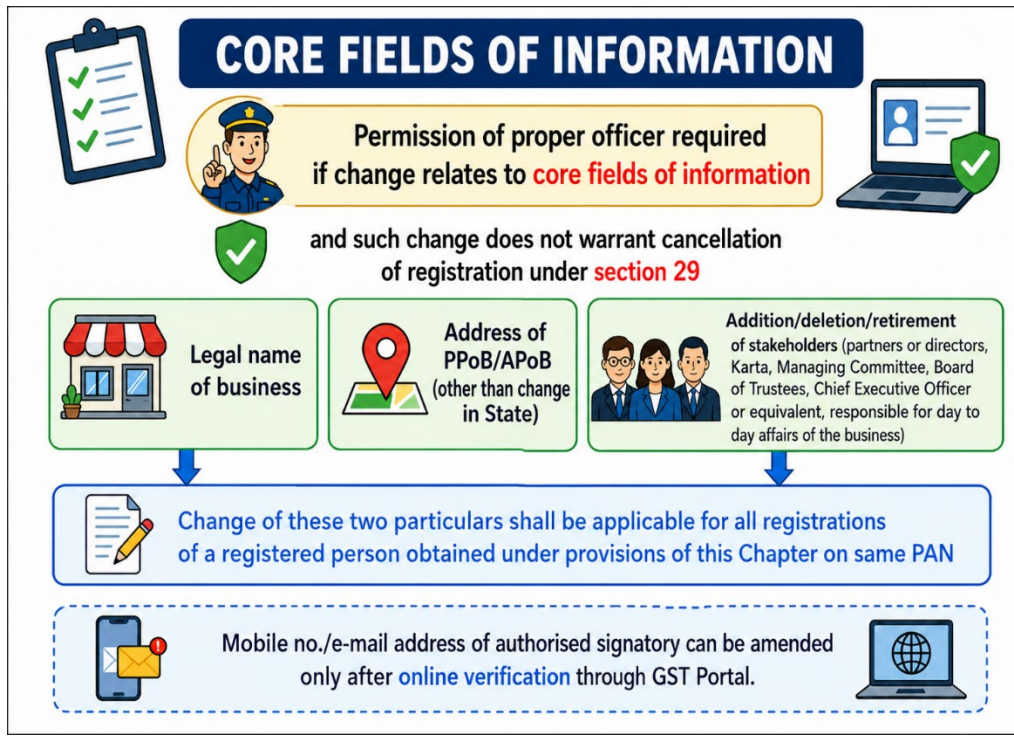
The significant aspects of the same are discussed hereunder:

- Where there is any change in the particulars furnished in registration application/UIN application, registered person shall submit an application in prescribed manner, either at the time of obtaining registration or Unique Identity Number or as amended from time to time, **within 15 days** of such change, along with documents relating to such change at the Common Portal.
- **In case of amendment of core fields of information**, the proper officer may, on the basis of information furnished or as ascertained by him, approve or reject amendments in the registration particulars in the prescribed manner. Such amendment shall take effect from the date of occurrence of event warranting such amendment.
- However, **where change relates to non-core fields of information**, registration certificate shall stand amended upon submission of the application for amendment on the Common Portal.
- The proper officer shall not reject the application for amendment in the registration particulars without giving the person an opportunity of being heard.

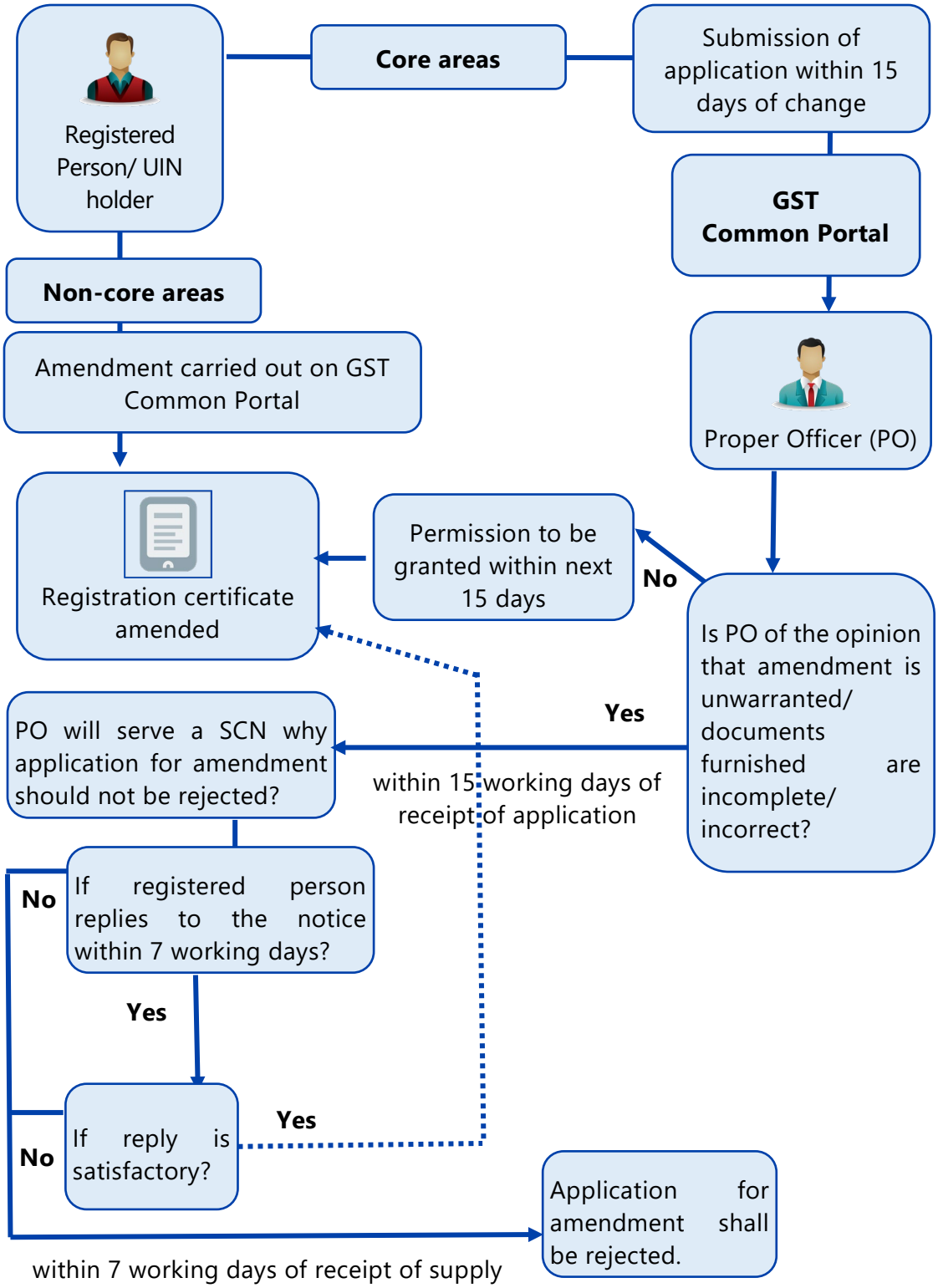
[18] *Refer diagram given on next page.*

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- Any rejection or approval of amendments under the SGST/UTGST Act shall be deemed to be a rejection or approval under this Act also.
- Any particulars of the application for registration shall not stand amended with effect from a date earlier than date of submission of application for amendment on common portal except with order of Commissioner for reasons to be recorded in writing and subject to conditions specified by Commissioner in the said order.
- Application for amendment of registration cannot be filed for change in PAN because GST registration is PAN-based. One needs to make fresh application for registration in case there is change in PAN. Thus. where a change in the constitution of any business results in change of PAN of a registered person, the said person shall apply for fresh registration.
- Similarly, application for amendment of registration form cannot be filled if there is change in place of business from one State to the other because GST registrations are State-specific. If one wishes to relocate his business to another State, he must voluntarily cancel his current registration and apply for a fresh registration in the State he is relocating his business.



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If the proper officer fails to take any action,-

(a) within a period of 15 working days from the date of submission of the application, or

(b) within a period of 7 working days from the date of the receipt of the reply to the show cause notice,

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.



(53) Varun Enterprises, a sole proprietorship firm, is engaged in supply of electrical goods in Delhi. The firm is registered under GST. Varun is the proprietor of the firm. He wishes to expand his business and his friend – Arun - approaches him to provide additional capital for his business if he is made a partner in Varun's business.

Varun agrees and changes the constitution of his business and forms a partnership firm – Varun Arun & Co. Since the change in constitution of business from sole proprietorship firm to partnership firm results in change in PAN of the registered person, the partnership firm has to apply for fresh registration. The reason for the same is that GSTIN is PAN based. Any change in PAN would warrant a new registration.

9. CANCELLATION OR SUSPENSION OF REGISTRATION AND REVOCATION OF CANCELLATION [SECTIONS 29 & 30]

STATUTORY PROVISIONS

Section 29	*Particulars*
Sub-section	*Cancellation or suspension of registration*
(1)	*The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the*

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	registration, in such manner and within such period as may be prescribed, having regard to the circumstances where:	
	(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*
	(b)	*there is any change in the constitution of the business*
	(c)	*the taxable person is no longer liable to be registered under section 22 or section 24 or intends to optout of the registration voluntarily made under sub-section (3) of section 25.*
	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.	
(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*
	(b)	*a person paying tax under section 10 has not furnished the return for a financial year beyond three months from the due date of furnishing the said return*
	(c)	*any registered person, other than a person specified in clause (b), has not furnished returns for such continuous tax period as may be prescribed*
	(d)	*any person who has taken voluntary registration under sub-section (3) of section 25 has not*

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		commenced business within six months from the date of registration
	(e)	*registration has been obtained by means of fraud, wilful misstatement or suppression of facts*
	Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.	
	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.	
(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.*	
(4)	*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.*	
(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*	

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	may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.
(6)	*The amount payable under sub-section (5) shall be calculated in such manner as may be prescribed.*
Section 30	***Revocation of cancellation of registration***
(1)	*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 such manner, within such time and subject to such conditions and restrictions, as may be prescribed.*
(2)	*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.* *Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.*
(3)	*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.*



ANALYSIS

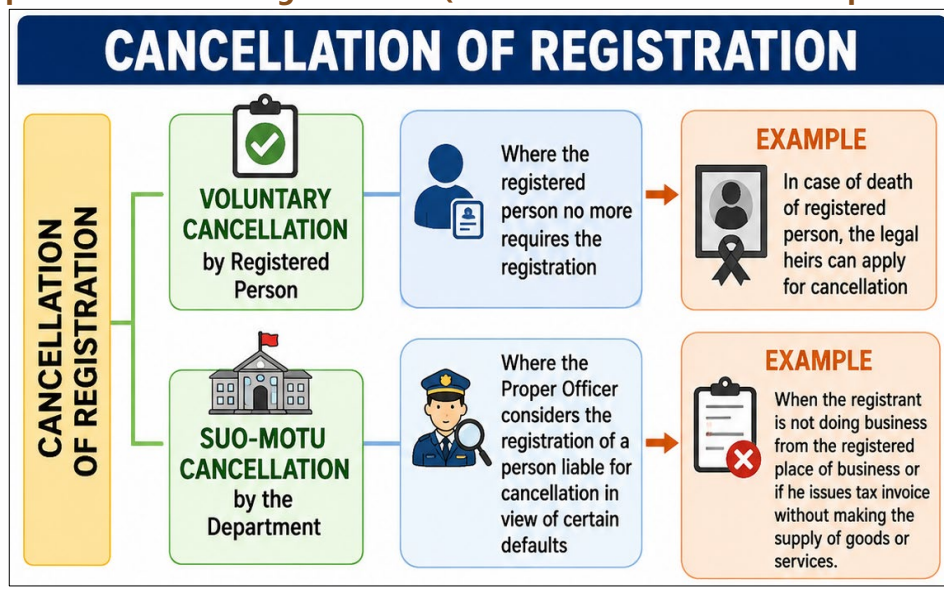
The provisions relating to cancellation of registration and its revocation are contained in sections 29 & 30 respectively read with rules 20 to 23. The registration granted under GST can be cancelled for specified reasons. The

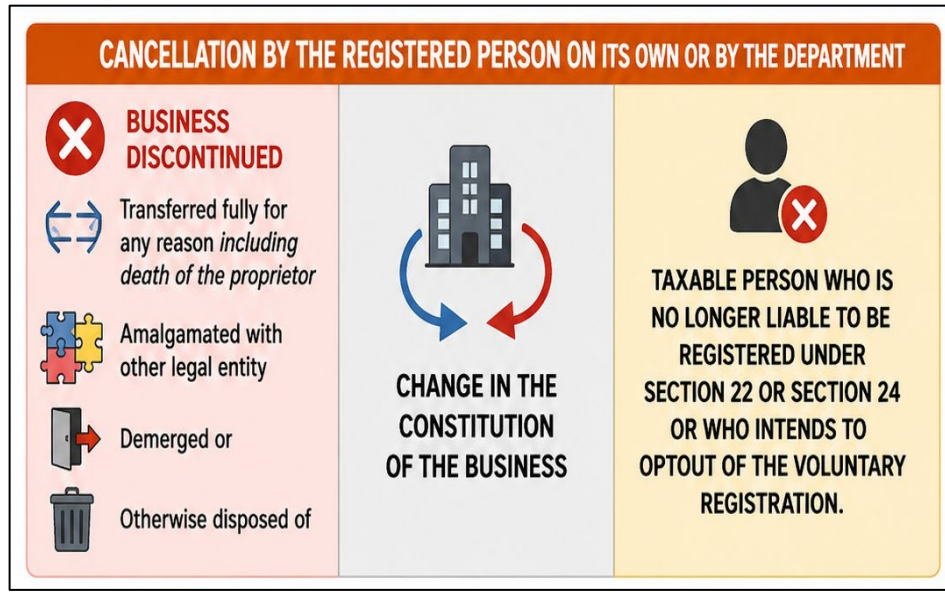
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cancellation can either be initiated by the Department on their own motion or the registered person can apply for cancellation of their registration.

(i) Circumstances where registration is liable to be cancelled [Section 29(1) & (2)]

A. Circumstances when the registration can be cancelled either *suo motu* by proper officer or on an application of the registered person or his legal heirs (in case death of such person)

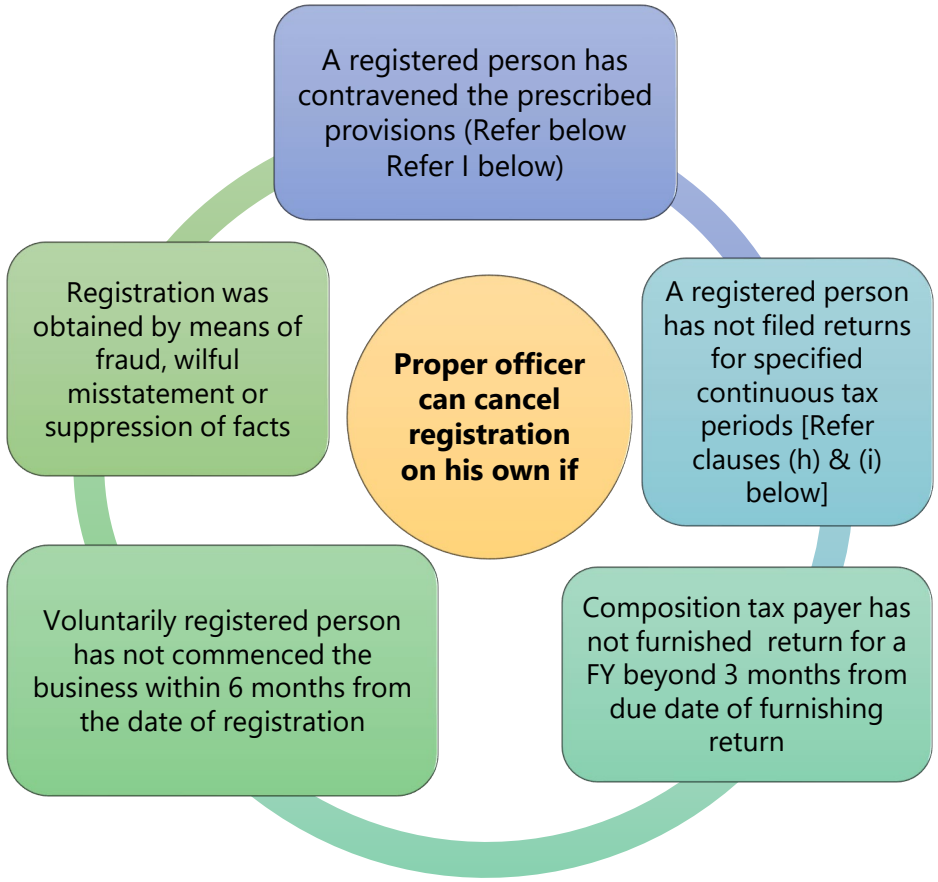




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B. Circumstances when the proper officer can cancel registration on his own

In the following cases, registration can be cancelled by the proper officer from such date, including any retrospective date, as he may deem fit after giving an opportuniy of being heard:



(I) Prescribed contraventions which make a registered person liable to cancellation of registration **[Rule 21]:** The registered person-

(a) does not conduct any business from the declared place of business, or

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(b) issues invoice/bill without supply of goods/services in violation of the provisions of this Act, or the rules made thereunder.

(c) violates the provisions of section 171. *Section 171 contains provisions relating to anti-profiteering measure – discussed in detail in Chapter 24 – Miscellaneous Provisions in Module 3 of the Study Material.*

(d) violates the provision of rule 10A *(discussed earlier in this chapter).*

(e) avails input tax credit in violation of the provisions of section 16[19] of the CGST Act or the rules made thereunder.

(f) furnishes the details of outward supplies in Form GSTR-1**,** as amended in FORM GSTR-1A if any, under section 37 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return under section 39 for the said tax periods.

(g) violates the provision of rule 86B[20].

(ga) violates the provisions of third or fourth proviso to rule 23(1).

(h) required to file return under section 39(1) for each month or part thereof (i.e. **monthly return filer**), has **not furnished returns for a continuous period of 6 months.**

(i) required to file return under proviso to section 39(1) for each quarter or part thereof **(Quarterly return under QRMP scheme),** has **not furnished returns for a continuous period of 2 tax periods.**

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[19] *Provisions of section 16 have been discussed in detail in Chapter 7 – Input tax credit in this Module of the Study Material.*

[20] *Provisions of rule 86B have been discussed in detail in Chapter 7 – Input tax credit of Module 2 of this Study Material.*

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C. Suspension of registration [First proviso to section 29(1) and second proviso to section 29(2) read with rule 21A]



Once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, the proper officer may suspend his registration during pendency of the proceedings relating to cancellation of registration. In this way, a taxpayer is barred from the routine compliances, including filing returns, under GST law during the pendency of the proceedings related to cancellation of registration.

The period and manner of suspension of registration is as follows:

1. **Where registered person has applied for cancellation of registration:** Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from:

(a) the date of submission of the application

or

(b) the date from which the cancellation is sought,

whichever is later,

pending the completion of proceedings for cancellation of registration.

2. **Where cancellation of the registration has been initiated by the Department on its own motion:** Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled, he may suspend the registration of such person **with effect from a date to be determined by him**, pending the completion of the proceedings for cancellation of registration.



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Where,-

(a) (i) a comparison of the returns furnished by a registered person under section 39 with:

- the details of outward supplies furnished in Form GSTR-1, as amended in GSTR-1A if any, or
- the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their Form GSTR-1, as amended in GSTR-1A if any, of the previous tax period, if any,

OR

(ii) such other analysis, as may be carried out on the recommendations of the Council,

show that there are significant differences or anomalies indicating contravention of the provisions of the CGST Act or the rules made thereunder, leading to cancellation of registration of the said person, or

(b) there is a contravention of the provisions of rule 10A by the registered person, the registration of such person shall be suspended.

Said person shall be intimated in prescribed form by sending a communication to his e-mail address provided at the time of registration or as amended from time to time. In this intimation for suspension and notice for cancellation of registration, the said differences and anomalies are highlighted and said person is asked to explain, within a period of 30 days, as to why his registration shall not be cancelled.

In cases where the cancellation is initiated by the Department on its own and registration of a person has been suspended, such person shall not be granted any refund under section 54, during

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the period of suspension of his registration.

3. A registered person, whose registration has been suspended as above:

- **shall not make any taxable supply**** during the period of suspension and
- shall not be required to furnish any return under section 39.

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.

4. The **suspension of registration shall be deemed to be revoked** upon **completion of the cancellation** proceedings by the proper officer. Such revocation shall be effective from the date on which the suspension had come into effect.

   The suspension of registration may be revoked by the proper officer, anytime during the pendency of the proceedings for cancellation, if he deems fit.

5. Further, the suspension of registration shall be deemed to be revoked upon furnishing of all the pending GST returns, where GST registration was suspended due to non-filing of GST return for a financial year beyond 3 months from the due date of furnishing the said return by a composition taxpayer or returns for such continuous tax period as may be prescribed by registered persons (other than composition taxpayer) **subject to the condition that the registration has not been cancelled by the proper officer under rule 22.**

6. Further also, where the registration has been suspended under sub-rule (2A) for contravention of provisions of rule 10A [furnishing of bank account details] and the registration has not already been cancelled by the proper officer under rule 22, the

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suspension of registration shall be deemed to be revoked upon compliance with the provisions of rule 10A.

7. 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[21]] and section 40 [first return[22]] in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.

(ii) Procedure for cancellation of registration [Rules 20 and 22]

(a) Voluntary cancellation by registered person

Application

- A registered person seeking cancellation of registration[23] shall electronically submit the application for cancellation of registration in prescribed form within 30 days of occurrence of the event warranting cancellation.
- He is required to furnish in the application the details of inputs held in stock or inputs contained in semi-finished/finished goods held in stock and of capital goods **held in stock on the date from which cancellation of registration is sought**, liability thereon, details of the payment, if any, made against such liability and may furnish relevant documents thereof.

Order

- Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered, proper officer shall issue the order of cancellation of registration within 30 days from the date of submission of application for cancellation.

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[21] Provisions relating to revised tax invoice have been discussed in detail in Chapter 9 - Tax Invoice; Credit and Debit Notes in this Module of the Study Material.

[22] Provisions relating to first return have been discussed in detail in Chapter 13 - Returns in this Module of the Study Material.

[23] under section 29(1)

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(b) *Suo-motu* cancellation by the Department



- Where the proper officer cancels the registration *suo-motu*, he shall not cancel the same without giving a show cause notice and without giving a reasonable opportunity of being heard, to the registered person. The reply to such show cause notice (SCN) has to be submitted within 7 days of service of notice.

- If reply to SCN is satisfactory, proper officer shall drop the proceedings and pass an order in prescribed form. However, where the person instead of replying to the SCN served for failure to furnish returns for a continuous period of 6 months or 2 tax periods, as the case may be (return for a F.Y. beyond 3 months from due date of furnishing the said return in case of composition scheme supplier)[24] 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.

  Where registration of a person is liable to be cancelled, proper officer shall issue the order of cancellation of registration within 30 days from the date of reply to SCN.

(c) Effective date of cancellation

- The cancellation of registration shall be effective from a date to be determined by the proper officer and mentioned in the cancellation order. The taxable person will be directed in the said order to pay arrears of any tax, interest or penalty including the amount liable to be paid under section 29(5).

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[24] *i.e., contravention of the provisions contained in section 29(2)(b)/(c) read with clauses (h) & (i) of rule 21*

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(iii) Amount payable on cancellation of registration [Section 29(5) & (6)]

A registered person whose registration is cancelled will have to debit the electronic credit or cash ledger by **an amount equivalent to**:

(i) Input tax credit (ITC) in respect of:

- stock of inputs and inputs contained in semi-finished/finished goods' stock or
- capital goods or plant and machinery

on the day immediately preceding the date of cancellation, or

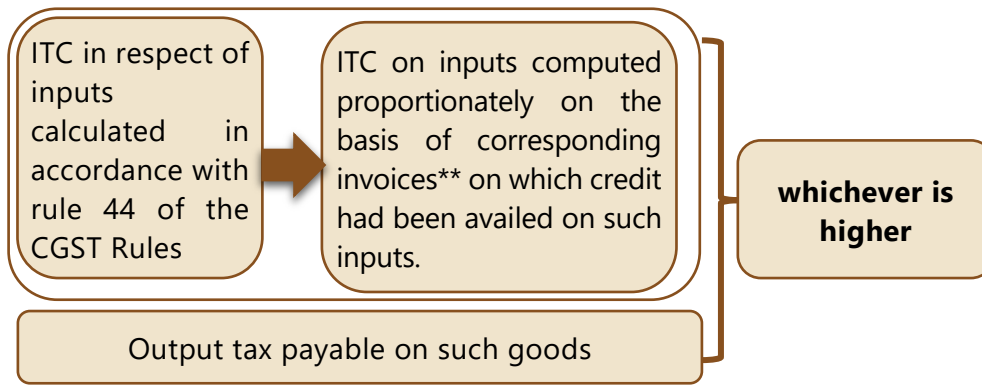
(ii) the output tax payable on such goods

whichever is higher, calculated **in such manner as may be prescribed**.

However, **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 manner of determination of amount of credit to be reversed is prescribed under rule 44. On conjoint reading of section 29(5) and rule 44, it can be inferred as follows:

Amount of credit to be reversed in respect of INPUTS:

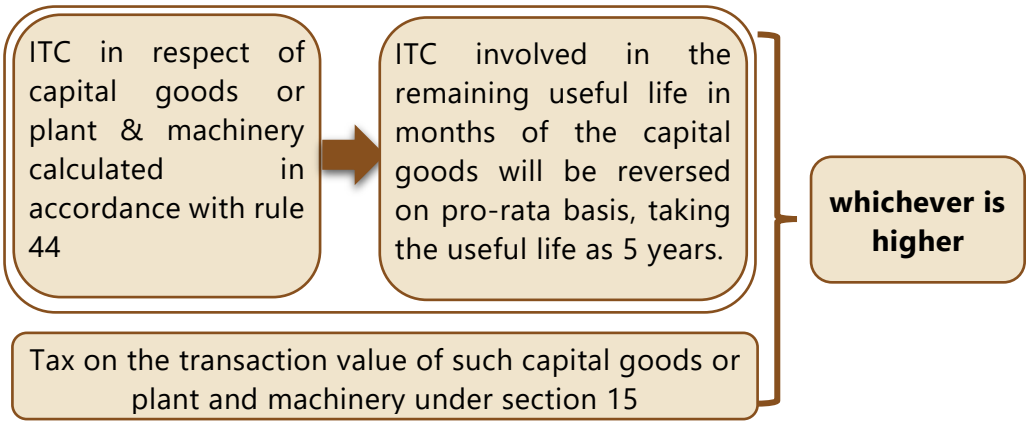


** Discussed in detail in Chapter-7: Input Tax Credit in this Module of Study Material*

***If tax invoices are not available, the ITC to be reversed will be based on the prevailing market price (MP) of such goods on the date of cancellation.*

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Amount of credit to be reversed in respect of CAPITAL GOODS OR PLANT & MACHINERY:





(54) Capital goods have been in use for 4 years, 6 month and 15 days. The useful remaining life in months = 5 months ignoring a part of the month.

ITC taken on such capital goods = C

ITC attributable to remaining useful life = C x 5/60

It is important to note that this requirement to debit the electronic credit and/or cash ledger by suitable amounts is not a prerequisite for applying for cancellation of registration. This can also be done at the time of submission of Final Return[25].

(iv) Other points about cancellation

- A person to whom a UIN has been granted under rule 17 cannot apply for cancellation of registration [Rule 20].
- The cancellation of registration will not affect liability of registered person to pay tax and other dues under the Act for any period prior to the date of cancellation[26] [Section 29(3)].

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[25] A taxable person whose GST registration is cancelled or surrendered has to file a return known as Final Return. This is statement of stocks held by such taxpayer on day immediately preceding the date from which cancellation is made effective. Detailed provisions of Final Return are discussed in Chapter 13 -Returns.

[26] whether or not such tax and other dues are determined before or after the date of cancellation.

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(55) The proper officer cancelled the registration of Naman Associates on 11th October. The tax dues of Naman Associates for July-September quarter (determined by the proper officer on 16th December) are ₹ 50,000. The cancellation of registration of Naman Associates shall have no effect on his liability of tax dues of ₹ 50,000 even though the tax dues are determined after the cancellation of registration.

- The cancellation of registration under either SGST Act/UTGST Act shall be deemed to be a cancellation of registration under CGST Act [Section 29(4)].
- Once registration is cancelled by the tax authority, the taxpayer will be intimated about the same via sms and email. Order for cancellation of registration will be issued and intimated to the primary authorized signatory by email and SMS.
- Taxpayer would not be allowed by the Common portal to file return for the period after date of cancellation mentioned in the cancellation order. However, he can submit returns of the earlier period (i.e. for the period before date of cancellation mentioned in the cancellation order for which registration was active).

(v) Revocation of cancellation of registration [Section 30 read with rule 23]

(A) Procedure for revocation of cancellation

- Where the registration of a person is cancelled *suo-motu* by the proper officer, such registered person, subject to the provisions of rule 10B, may apply for revocation of the cancellation to such proper officer, within a period of 90 days** from the date of the service of the order of cancellation of registration.

  **Said period of 90 days may, on sufficient cause being shown and for reasons to be recorded in writing, be extended by the Commissioner or an officer authorised by him in this behalf, not below the rank of Additional Commissioner/Joint Commissioner, as the case may be, for a further period not exceeding 180 days.

- Thus, a registered person, whose registration is cancelled by the proper officer on his own motion, may subject to provisions of rule 10B submit an application for revocation of cancellation of

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registration, in prescribed form, to such proper officer, within a period of 90 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.

- If the proper officer is satisfied that there are sufficient grounds for revocation of cancellation, he may revoke the cancellation of registration, by an order **within 30 days** of receipt of application and communicate the same to applicant.
- Otherwise, he may reject the revocation application. However, before rejecting the application, he has to first issue SCN to the applicant who shall furnish the clarification within 7 working days of service of SCN. The proper officer shall dispose the application (accept/reject the same) within 30 days of receipt of clarification.

(B) Where registration was cancelled for failure of registered person to furnish returns

Where registration was cancelled for failure of registered person to furnish returns, before applying for revocation, the person has to make good the defaults, i.e. the person needs to file such returns and pay any amount due as tax along with any amount payable towards interest, penalty and late fee in respect of the said returns. However, the registration may have been cancelled by the proper officer either from the date of order of cancellation of registration or from a retrospective date.

(1) Where the registration has been cancelled with effect from the date of order of cancellation of registration

As we have already seen that the common portal does not allow furnishing of returns for the period after the effective date of cancellation, but returns for the earlier period (i.e. for the period before date of cancellation mentioned in the cancellation order) can be furnished after cancellation.

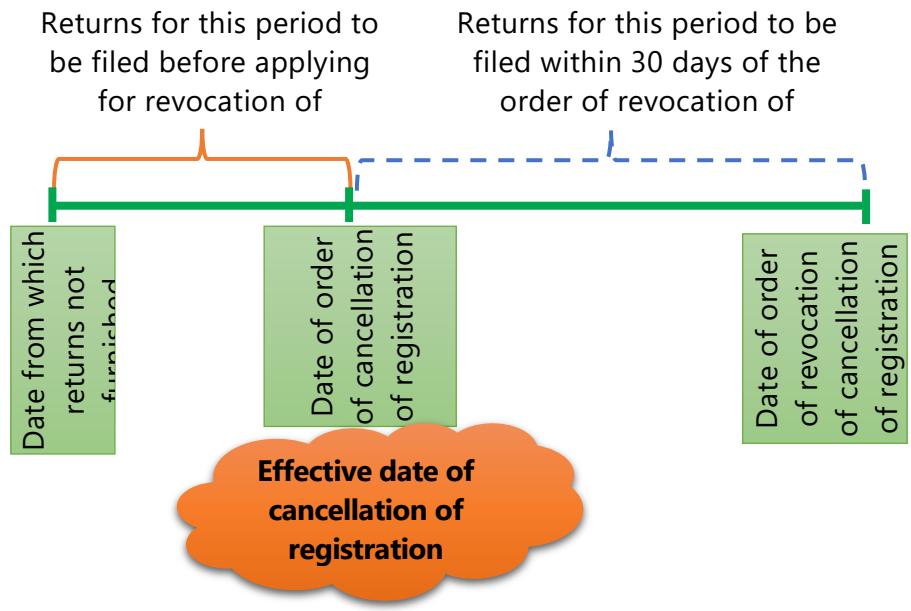
Where the registration is cancelled with effect from the date of order of cancellation of registration, person applying for revocation of cancellation has to furnish all returns due till the date of such

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cancellation before the application for revocation can be filed and has to pay any amount due as tax, in terms of such returns along with any amount payable towards interest, penalties or late fee payable in respect of the said returns.

However, since the portal does not allow to furnish returns for the period after the date of cancellation of registration, all returns due for the period from the date of order of cancellation till the date of order of revocation of cancellation of registration have to be furnished within a period of 30 days from the date of the order of revocation.

(56) The registration of Naman Associates was cancelled by the proper officer by an order dated 1st June for its failure to furnish returns. The registration was cancelled with effect from 1st June itself. It applied for revocation of cancellation of registration and the order for revocation of cancellation of Naman Associates is passed on 31st July. In this case, Naman Associates shall be required to furnish all the returns for the period from 1st June to 31st July within a period of 30 days from 31st July, i.e. by 30th August.



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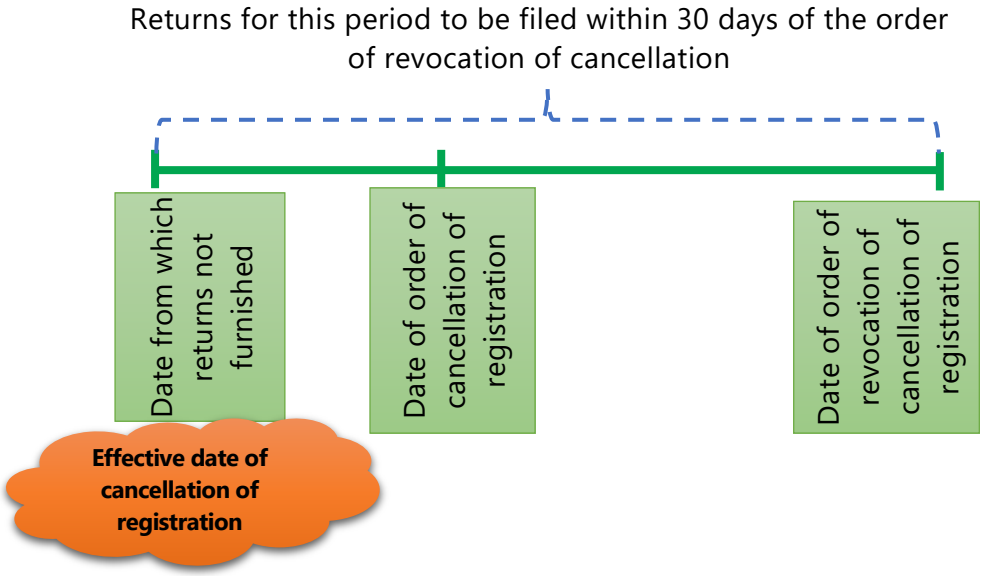
(2) Where the registration has been cancelled with retrospective effect

Where the registration has been cancelled with retrospective effect, it is not possible to furnish the returns before filing the application for revocation of cancellation of registration.

In that case, the application for revocation of cancellation of registration is allowed to be filed, subject to the condition that all returns relating to the period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration shall be filed within a period of 30 days from the date of order of such revocation of cancellation of registration.



(57) The registration of Naman Associates was cancelled by the proper officer by an order dated 1st June for its failure to furnish returns. The registration was cancelled with effect from 1st January itself. It applied for revocation of cancellation of registration and the order for revocation of cancellation of Naman Associates is passed on 31st July. In this case, Naman Associates shall be required to furnish all the returns for the period from 1st January to 31st July within a period of 30 days from 31st July, i.e. by 30th August.



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Points to be noted

- **UIN Holders (i.e. UN Bodies, Embassies and Other Notified Persons), GST Practitioner cannot apply for revocation of cancelled registration.**
- **In case the registration is cancelled on the request of the taxpayer or his legal heir, one cannot apply for revocation of cancelled registration.**
- **The revocation of cancellation of registration under the SGST Act/ UTGST Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under CGST Act.**

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LET US RECAPITULATE

Nature of registration

The registration in GST is PAN based and State specific.

One registration per State/UT.

However, a business entity having separate places of business in a State may obtain separate registration for each of its places of business .

GST identification number called "GSTIN" - a 15-digit number and a certificate of registration incorporating therein this GSTIN is made available to the applicant on the GSTN common portal.

Registration under GST is not tax specific, i.e. single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cesses.

Persons liable to registration

Those who exceed threshold limit	•Threshold limit elaborated separately in the diagram below.
In case of transfer of business on account of succession, etc.	•**Transferee** liable to be registered from the date of succession of business
In case of amalgamation/ demerger by an order of High Court etc.	•**Transferee** liable to be registered from the date on which Registrar of Companies issues incorporation certificate giving effect to order of High Court etc.

Taxable Supplies + Exempt supplies + Exports + Inter State supplies = **Aggregate Turnover**

Aggregate Turnover will be computed on All-India basis for same PAN

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Applicable threshold limit

States with threshold limit of ₹ 10 lakh for supplier of goods and/or services	•Manipur, Mizoram, Nagaland and Tripura
States/UTs with threshold limit of ₹ 20 lakh for supplier of goods and/or services	•Arunachal Pradesh, Meghalaya, Sikkim, Uttarakhand, Puducherry and Telangana
States/UTs with threshold limit of ₹ 20 lakh for supplier of services/both goods and services and threshold limit of ₹ 40 lakh for supplier of goods (Intra-State)	•Jammu and Kashmir, Assam, Himachal Pradesh, All other States

Compulsory registration in certain cases

- Persons making any inter-State taxable supply
- Casual taxable person who does not have a fixed place of business in the State or Union Territory from where he wants to make supply
- A person receiving supplies on which tax is payable by recipient on reverse charge basis
- Those ecommerce operators who are notified as liable for tax payment under section 9(5)
- Non-resident taxable persons who do not have a fixed place of business in India
- Persons who are required to deduct tax under section 51 (TDS)
- A person who supplies on behalf of some other taxable person (i.e. an Agent of some Principal)
- Suppliers other than notified under section 9(5) who supply through an e-commerce operator
- Every e-commerce operator who is required to collect TCS
- Every person supplying OIDAR services from a place outside India to a person in India other than a registered person
- Input Service Distributor, whether or not separately registered
- Person supplying online money gaming from a place outside India to a person in India
- Person/ class of persons notified by the Central/ State Government

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Persons not liable for registration

Person engaged exclusively in supplying goods/ services/ both not liable to tax/ wholly exempt from tax

Agriculturist limited to supply of produce out of cultivation of land

Persons making only reverse charge supplies except supplier of metal scrap.

Persons making inter-State supplies of taxable services up to ₹ 20 lakh**

Persons making inter-State taxable supplies of notified handicraft goods and notified hand-made goods up to ₹ 20 lakh**

Casual Taxable Persons making inter-State taxable supplies of notified handicraft goods and notified hand-made goods up to ₹ 20 lakh**

Persons making intra-State supplies of goods through an ECO with aggregate turnover not exceeding threshold limit and not making supply in more than one State/UT, with one enrolment no.

Persons making supplies of services through an ECO [other than supplies specified under section 9(5)] with aggregate turnover up to ₹ 20 lakh**

**₹ 10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland

Where and by when to apply for registration?

Person who is liable to be registered under section 22 or section 24	A casual taxable person or a non-resident taxable person	A person who makes a supply from the territorial waters of India
•in every such State/UT in which he is so liable •within 30 days from the date on which he becomes liable to registration	•in every such State/UT in which he is so liable •at least 5 days prior to the commencement of business	•in the coastal State/UT where the nearest point of the appropriate base line is located. •within 30 days from the date on which he becomes liable to registration

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Voluntary Registration and UIN

Voluntary Registration

Person not liable to be registered under sections 22/24 may get himself registered voluntarily.

Unique Identification Number (UIN)

In respect of supplies to some notified agencies of United Nations organisation, multinational financial institutions and other organisations, a UIN is issued.

Effective date of registration

Application submitted **within 30 days** of the applicant becoming liable to registration

→ Effective date is the date on which he becomes liable to registration

Application submitted after **30 days** of the applicant becoming liable to registration

→ Effective date is date of grant of registration

Deemed registration

Deemed registration	
Grant of registration/UIN under any SGST Act/ UTGST Act is deemed to be registration/UIN granted under CGST Act provided application for registration has not been rejected under CGST Act.	Rejection of application for registration/UIN under SGST Act/UTGST Act is deemed to be rejection of application for registration under CGST Act.

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Procedure for registration

Part I

Every person liable to get registered and person seeking voluntary registration shall, before applying for registration, declare his Permanent Account Number (PAN) and State/UT in **Part A of FORM GST REG-01** on GST Common Portal.

PAN is validated online by Common Portal from CBDT database and ***is*** also be verified through separate OTPs sent to the PAN linked mobile number and e-mail address.

Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.

Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.

Part B of application contains the details, such as, constitution of business, jurisdiction, option for composition, date of commencement of business, reason to obtain registration, address of PPoB and nature of activity carried out therein, details of APoB, details of bank account(s), details of authorized signatory, aadhaar authentication, etc.

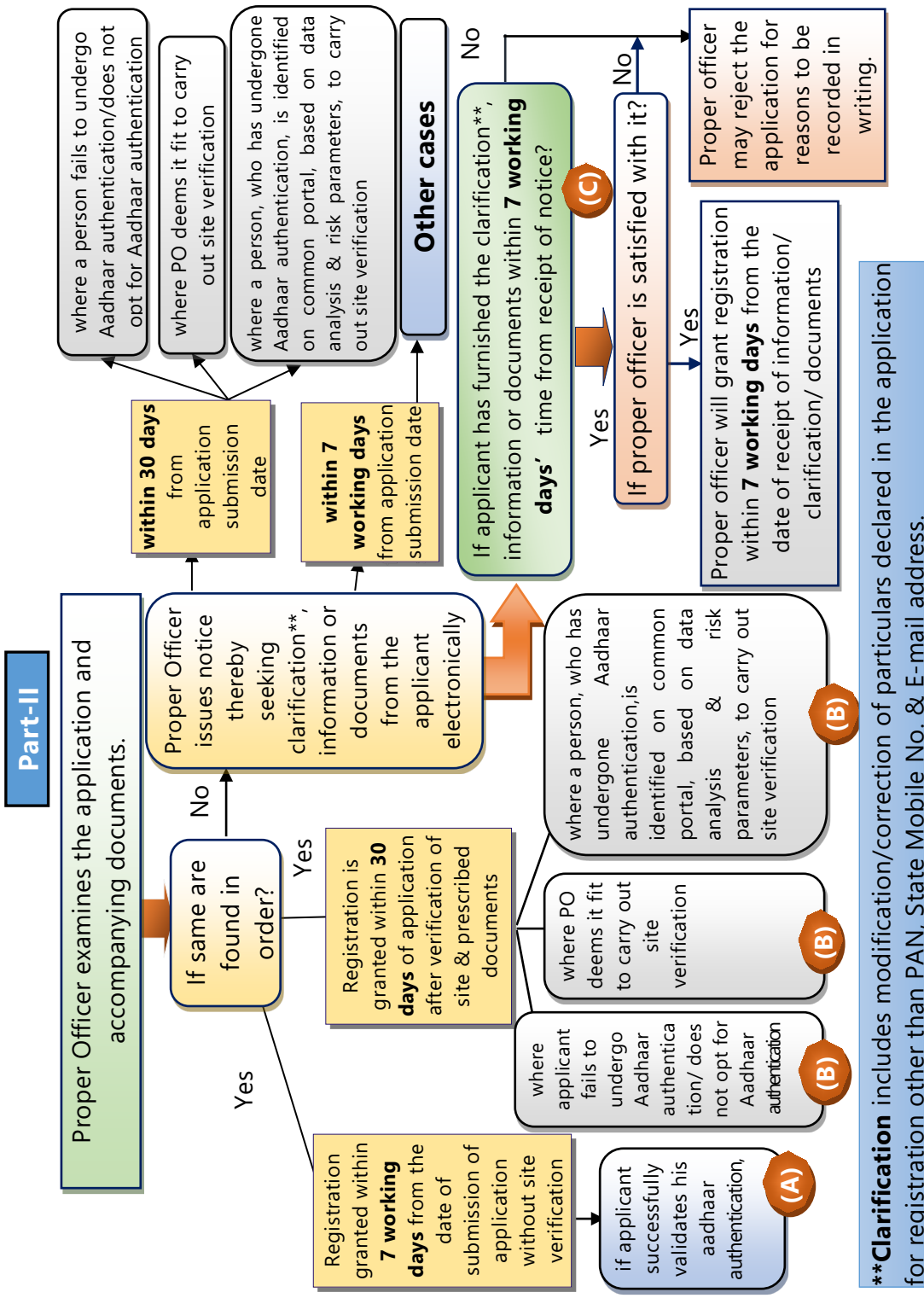
On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically. A **Casual Taxable Person (CTP)** applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.*

Application shall be forwarded to the Proper Officer.

The procedure after receipt of application by the Proper Officer is depicted in Part II.

***** *Discussed in detail in subsequent paras.*

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Special procedure for registration of CTP and NRTP

Casual Taxable Person

A Casual taxable person is one who has a registered business in some State in India, but wants to effect supplies from some other State in which he is not having any fixed place of business.

Such person needs to register in the State from where he seeks to supply as a Casual taxable person.

Non-resident Taxable Person

A Non-Resident taxable person is one who is a foreigner and occasionally wants to effect taxable supplies from any State in India, and for that he needs GST registration.

Casual Taxable Person

Non-resident taxable person

GST law prescribes special procedure for registration, as also for extension of the operation period of such Casual or Non-Resident taxable persons.

They have to apply for registration at least 5 days in advance before making any supply.

Registration is granted to them or period of operation is extended only after they make advance deposit of the estimated tax liability.

Registration is granted to them for the period specified in the registration application or 90 days from the effective date of registration.

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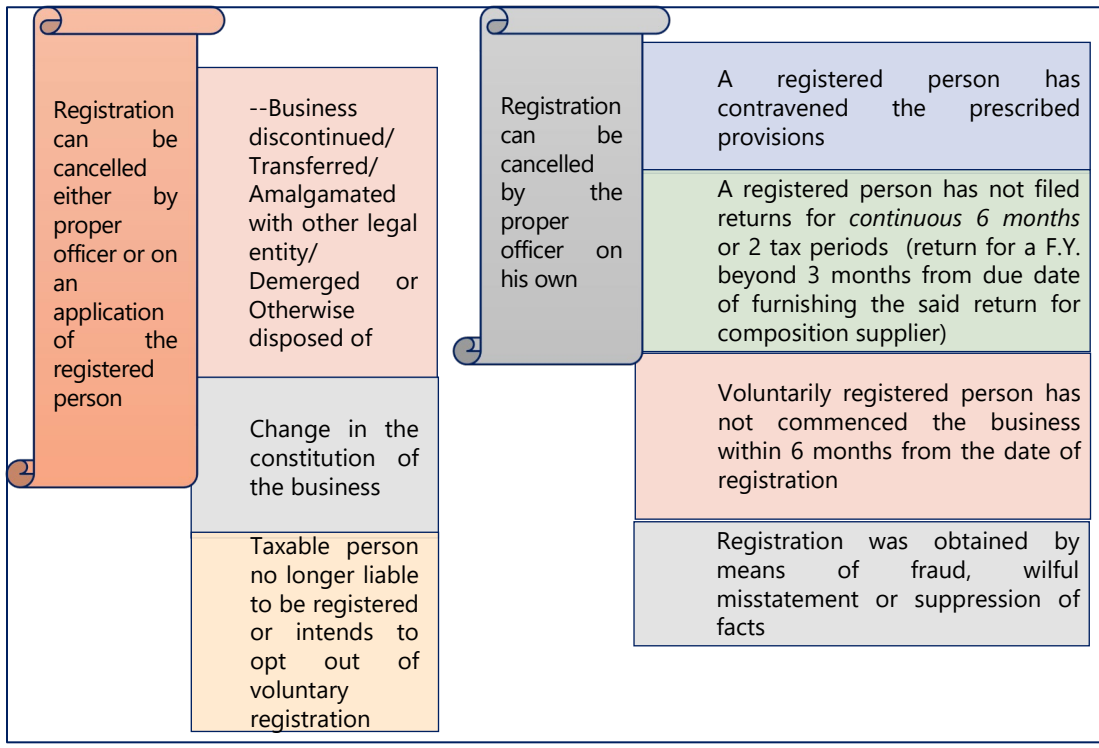
Amendment of Registration

Except for the changes in some core information in the registration application, a taxable person shall be able to make amendments without requiring any specific approval from the tax authority.

In case the change is core feilds of information, 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 the next 15 days.

For changes in non-core fields, 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.

Cancellation or suspension of registration and revocation of cancellation of registration



Once a registered person has applied for cancellation of registration or the proper officer seeks to cancel his registration, proper officer may suspend his registration during pendency of proceedings relating to cancellation of registration filed by such registered person.

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Procedure for cancellation

Where the registered person applies for cancellation

Registered person seeking cancellation shall apply for the same within **30 days** of occurrence of the event warranting cancellation, in prescribed form, furnishing the details of inputs held in stock or inputs contained in semi-finished/finished goods held in stock and of capital goods held in stock on the date from which cancellation of registration is sought, liability thereon, payment, if any made & relevant documents.

Proper officer (PO) shall issue the order of cancellation within 30 days of submission of application for the same.

Where the proper officer cancels the registration

PO shall issue a SCN to the registered person who has to reply to said notice

- Proceedings shall be dropped
  - If reply to SCN is satisfactory
  - Where instead of replying to SCN, person furnishes all pending returns & makes full payment of tax along with interest & late fee.
- Cancellation order shall be issued within 30 days of reply to SCN where registration is liable to be cancelled

Revocation of cancellation

In case where registration is cancelled *suo-motu* by the proper officer, the taxable person can apply within 90 days (extendible by 180 days by Commissioner or officer authorised not below the rank of Additional/Joint Commissioner) 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.

However, there shall be deemed revocation of cancellation upon furnishing of pending GST returns subject to the condition that the registration has not been cancelled by the proper officer under rule 22

Revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.

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TEST YOUR KNOWLEDGE

1. *Mahadev Enterprises, a sole proprietorship firm, opened a shopping complex dealing in supply of ready-made garments at multiple locations, i.e. in Himachal Pradesh, Uttarakhand and Tripura in the month of June.*

It has furnished the following details relating to the supply made at such multiple locations for the month of June:-

Particulars	***Himachal Pradesh***	***Uttarakhand***	***Tripura***
	(₹) *	***(₹) ****	***(₹) ****
Intra-State supply of taxable goods	*22,50,000*	*-*	*7,00,000*
Intra-State supply of exempted goods	*-*	*-*	*6,00,000*
Intra-State supply of non-taxable goods	*-*	*21,00,000*	*40,000*

** excluding GST*

With the help of the above mentioned information, answer the following questions giving reasons:-

(1) Determine whether Mahadev Enterprises is liable to be registered under GST law and what is the threshold limit of taking registration in this case assuming that it is not required to pay any tax on inward supplies under reverse charge.

(2) Explain with reasons whether your answer in (1) will change in the following independent cases:

(a) If Mahadev Enterprises is dealing exclusively in taxable supply of goods only from Himachal Pradesh;

(b) If Mahadev Enterprises is dealing in taxable supply of goods and services only from Himachal Pradesh;

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(c) *If Mahadev Enterprises is dealing in taxable supply of goods only from Himachal Pradesh and has also effected inter-State supplies of taxable goods (other than notified handicraft goods and notified hand-made goods) amounting to ₹4,00,000.*

2. *LMN Pvt. Ltd., Coimbatore, Tamil Nadu, exclusively manufactures and sells product 'X' which is exempt from GST vide a notification issued under relevant GST legislations. The company sells product 'X' only within Tamil Nadu and is not registered under GST. Further, all the inward supply of the company are taxable under forward charge. The turnover of the company in the previous year was ₹45 lakh. The company expects the sales to grow by 30% in the current year. The company purchased additional machinery for manufacturing 'X' on 1st July. The purchase price of the capital goods was ₹30 lakh exclusive of GST @ 18%.*

However, effective from 1st November, exemption available to 'X' was withdrawn by the Central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30th September was ₹45 lakh.

(a) *Examine the above scenario and advise LMN Pvt Ltd. whether it needs to get registered under GST.*

(b) *If the answer to the above question is in affirmative, advise LMN Pvt. Ltd. whether it can avail input tax credit on the additional machinery purchased exclusively for manufacturing "X"?*

3. *SNP Pvt. Ltd., Coimbatore, Tamil Nadu, exclusively manufactures and sells product 'Z' which is exempt from GST vide notifications issued under relevant GST legislations. The company sells product 'Z' only within Tamil Nadu and it not registered under GST. Further, all the inward supplies of the company are taxable under forward charge. The turnover of the company in the previous year was ₹55 lakh. The company expects the sales to grow by 20% in the current year. Owing to the growing demand for the product, the company decided to increase its production capacity and purchased additional machinery for manufacturing 'Z' on 1st July. The purchase price of such capital goods was ₹20 lakh exclusive of GST @ 18%.*

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However, effective from 1st November, exemption available on 'Z' was withdrawn by the Central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30th September was ₹ 50 lakh.

(a) The Board of Directors of SNP Pvt. Ltd. wants to know whether they have to register under GST.

(b) In case in the above question, SNP Pvt. Ltd. is already registered with respect to certain taxable supplies being made by it along with manufacture of exempt product 'Z', other facts remaining the same, can it take input tax credit on additional machinery purchased exclusively for manufacturing 'Z'? If yes, then how much credit can be availed?

Advice SNP Pvt. Ltd. on the above issues with reference to the provisions of GST law.

4. *Rishabh Enterprises – a sole proprietorship firm – started an air-conditioned restaurant in Virar, Maharashtra in the month of February wherein the customers are served cooked food as well as cold drinks/non-alcoholic beverages. In March, the firm opened a liquor shop in Raipur, Uttarakhand for trading of alcoholic liquor for human consumption.*

Determine whether Rishabh Enterprises is liable to be registered under GST law with the help of the following information:

Particulars	**February**	**March**
	(₹) *	(₹) *
Serving of cooked food and cold drinks/non-alcoholic beverages in restaurant in Maharashtra	5,50,000	6,50,000
Sale of alcoholic liquor for human consumption in Uttarakhand		5,00,000
Supply of packed food items from restaurant in Maharashtra	1,50,000	2,00,000

** excluding GST*

You are required to provide reasons for treatment of various items given above.

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5. *With the help of the following information in the case of M/s Jayant Enterprises, Jaipur (Rajasthan) for the financial year, determine the aggregate turnover for the purpose of registration under the CGST Act.*

Sl. No.	Particulars	Amount (₹)
(i)	Sale of diesel on which VAT is levied by Rajasthan Government.	1,00,000
(ii)	Supply of goods, after completion of job work, from the place of Jayant Enterprises directly by principal by declaring the place of M/s Jayant Enterprises as its additional place of business.	3,00,000
(iii)	Export of goods to England (U.K.)	5,00,000
(iv)	Supply to its own additional place of business in Rajasthan.	5,00,000
(v)	Outward supply of services on which GST is to be paid by recipient under reverse charge.	1,00,000

All the above amounts are excluding GST.

You are required to provide reasons for treatment of various items given above.

6. *Rajesh Dynamics, having its head office in Chennai, Tamil Nadu carries on the following activities with respective turnovers in a financial year:*

	₹
Supply of petrol at Chennai, Tamil Nadu	18,00,000
Value of inward supplies on which tax is payable on reverse charge basis	9,00,000
Supply of transformer oil at Chennai, Tamil Nadu	2,00,000
Value of branch transfer from Chennai, Tamil Nadu to Bengaluru, Karnataka without payment of consideration	1,50,000
Value of taxable supplies at Manipur branch	11,50,000

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It argues that it does not have taxable turnover crossing threshold limit of ₹ 40,00,000 either at Chennai, Tamil Nadu, Bengaluru, Karnataka or Manipur branch. Further, it believes that the determination of aggregate turnover is not required for the purpose of obtaining registration but is required for determining the eligibility for composition levy.

Determine the aggregate turnover of Rajesh Dynamics. You are also required to review the technical veracity of the arguments of Rajesh Dynamics.



ANSWERS

1. As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019,* 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:-

(i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

(ii) ₹ 20 lakh for the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.

(iii) ₹ 40 lakh for rest of India.

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

(i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

(ii) ₹ 20 lakh for the rest of India.

As per section 2(6), aggregate turnover includes the aggregate value of:

(i) all taxable supplies,

(ii) all exempt supplies,

(iii) exports of goods and/or services and

(iv) all inter-State supplies of persons having the same PAN.

The above is to be computed on all India basis.

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In the light of the afore-mentioned provisions, the aggregate turnover of Mahadev Enterprises is computed as under:

Computation of State-wise aggregate turnover of Mahadev Enterprises

Particulars	Himachal Pradesh (₹)*	Uttarakhand (₹)*	Tripura (₹)*
Intra-State supply of taxable goods	22,50,000	-	7,00,000
Intra-State supply of exempted goods	-	-	6,00,000
Intra-State supply of non-taxable goods (Refer Note below)	-	21,00,000	40,000
Aggregate Turnover	**22,50,000**	**21,00,000**	**13,40,000**

Note: As per section 2(47), exempt supply includes non-taxable supply. Thus, intra-State supply of non-taxable goods in Uttarakhand, being a non-taxable supply, is an exempt supply and is, therefore, included in the aggregate turnover.

In the given case, Mahadev Enterprises is engaged in exclusive intra-State supply of goods from Himachal Pradesh, Tripura and Uttarakhand. However, since Mahadev Enterprises makes taxable supply of goods from one of the specified Special Category States (i.e. Tripura), it will not be eligible for the higher threshold limit of ₹ 40 lakh; instead, the threshold limit for registration will be reduced to ₹ 10 lakh.

(1) In view of the above-mentioned provisions, Mahadev Enterprises is liable to be registered under GST law with the aggregate turnover amounting to ₹ 56,90,000 (computed on all India basis) of the States of Himachal Pradesh, Uttarakhand and Tripura since the applicable threshold limit of registration in this case is ₹ 10 lakh. Further, he is not liable to be registered in Uttarakhand since he is not making any taxable supply from Uttarakhand.

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(2) (a) If Mahadev Enterprises is dealing in supply of goods only from Himachal Pradesh, the applicable threshold limit of registration would be ₹ 40 lakh. Thus, Mahadev Enterprises will not be liable for registration as its aggregate turnover would be ₹ 22,50,000.

(b) If Mahadev Enterprises is dealing in taxable supply of goods and services only from Himachal Pradesh then higher threshold limit of ₹ 40 lakh will not be applicable as the same applies only in case of exclusive supply of goods. Therefore, in this case, the applicable threshold limit will be ₹ 20 lakh and hence, Mahadev Enterprises will be liable to registration.

(c) In case of inter-State supplies of taxable goods other than notified handicraft goods or notified hand-made products, section 24 requires compulsory registration irrespective of the quantum of aggregate turnover. Thus, Mahadev Enterprises will be liable to registration.

2. (a) Section 22(1) read with *Notification No. 10/2019 CT dated 07.03.2019 inter alia* provides that every supplier who is exclusively **engaged in intra-State supply of goods** is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods only when aggregate turnover in a financial year exceeds ₹ 40,00,000.

However, the above provisions are not applicable to few specified States, *i.e.* States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand.

Further, a person exclusively engaged in the business of supplying goods and/or services that are not liable to tax or are wholly exempt from tax is not liable to registration in terms of section 23(1)(a).

In the given case, the turnover of the company for the half year ended on 30th September is ₹ 45 lakh which is more than the applicable threshold limit of ₹ 40 lakh. Therefore, as per above mentioned provisions, the company should be liable to registration. However, since LMN Pvt. Ltd. supplied exempted goods till 31st October, it was not required to be registered till that day; though voluntary registration was allowed under section 25(3).

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However, the position will change from 1st November as the supply of goods become taxable from that day and the turnover of company is above ₹ 40 lakh. It is important to note here that in terms of section 2(6), the aggregate turnover limit of ₹ 40 lakh includes exempt turnover also.

Therefore, turnover of 'X' prior to 1st November will also be considered for determining the limit of ₹ 40 lakh even though the same was exempt from GST. Therefore, the company needs to register within 30 days from 1st November (the date on which it becomes liable to registration) in terms of section 25(1).

(b) Section 18(1)(a) provides that a person who has applied for registration within 30 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.

Thus, LMN Pvt. Ltd. cannot avail credit for additional machinery purchased exclusively for manufacturing X as input tax credit of only inputs is allowed when a person gets registered for the first time.

3. (a) Section 22(1) read with *Notification No. 10/2019 CT dated 07.03.2019 inter alia* provides that every supplier who is exclusively **engaged in intra-State supply of goods** is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods only when aggregate turnover in a financial year exceeds ₹ 40,00,000.

However, the above provisions are not applicable to few specified States, *i.e.* States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand.

However, a person exclusively engaged in the business of supplying goods and/or services that are not liable to tax or are wholly exempt from tax is not liable to registration in terms of section 23(1)(a).

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In the given case, the turnover of the company for the half year ended on 30th September is ₹ 50 lakh which is more than the applicable threshold limit of ₹ 40 lakh. Therefore, as per section 22, the company will be liable to registration. However, since SNP Pvt. Ltd. supplied exempted goods till 31st October, it was not required to be registered till that day; though voluntary registration was allowed under section 25(3).

However, the position will change from 1st November as the supply of goods become taxable from that day and the turnover of company is above ₹ 40 lakh. It is important to note here that in terms of section 2(6), the aggregate turnover limit of ₹ 40 lakh includes exempt turnover also.

Therefore, turnover of 'Z' will be considered for determining the threshold limit even though the same was exempt from GST. Therefore, the company needs to register within 30 days from 1st November (the date on which it becomes liable to registration) in terms of section 25(1).

Further, the company cannot avail exemption of ₹ 40 lakh from 1st November as the GST law does not provide any threshold exemption from payment of tax but threshold exemption from obtaining registration (which in this case had been crossed).

(b) Rule 43(1)(a) disallows input tax credit on capital goods used or intended to be used exclusively for effecting exempt supplies.

However, as per section 18(1)(d), where an exempt supply of goods and/or services by a registered person becomes a taxable supply, such person gets 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 relatable to such exempt supply and on capital goods exclusively used for such exempt supply on the day immediately preceding the date from which such supply becomes taxable.

Rule 40(1)(a) lays down that the credit on capital goods can be claimed after reducing the tax paid on such capital goods by 5% per quarter of a year or part thereof from the date of the invoice.

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Therefore, in the given case, SNP Pvt. Ltd. could not claim credit on machinery till the time the supply of product 'Z' for which said machinery was being used was exempt. However, it can claim credit of in respect of said machinery once the supply of product 'Z' became taxable.

Further, SNP Pvt. Ltd. can take following amount of ITC on said machinery for its remaining useful life by making an electronic declaration in prescribed form specifying the details of said machinery:

Date of purchase of machinery	1st July
Date on which credit becomes eligible	31st October
Number of quarters for which credit is to be reduced	2 (including part of quarter)
GST paid on machinery [₹ 20,00,000 x 18%]	₹ 3,60,000
Credit to be reduced [₹ 3,60,000 x 5% x 2]	₹ 36,000
Amount of credit that can be taken [₹ 3,60,000 – ₹ 36,000]	**₹ 3,24,000**

4. As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019***,** 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:-

(i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

(ii) ₹ 20 lakh for the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.

(iii) ₹ 40 lakh for 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:-

(i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

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(ii) ₹ 20 lakh for the rest of India.

As per section 2(6), aggregate turnover includes the aggregate value of:

(i) all taxable supplies,

(ii) all exempt supplies,

(iii) exports of goods and/or services and

(iv) all inter-State supplies of persons having the same PAN.

The above is computed on all India basis. Further, the aggregate turnover excludes central tax, State tax, Union territory tax, integrated tax and cess. Moreover, the value of inward supplies on which tax is payable under reverse charge is not taken into account for calculation of 'aggregate turnover'.

In the given question, since Rishabh Enterprises is engaged in making taxable supplies of goods and services from Maharashtra and non-taxable supplies from Uttarakhand, the threshold limit for obtaining registration is ₹ 20 lakh.

In the light of the afore-mentioned provisions, the aggregate turnover of Rishabh Enterprises is computed as under:

Computation of aggregate turnover of Rishabh Enterprises

Particulars	**Turnover of February (₹)**	**Cumulative turnover of February & March (₹)**
Serving of cooked food and cold drinks/non-alcoholic beverages in restaurant in Maharashtra	5,50,000	12,00,000 [₹ 5,50,000 + ₹ 6,50,000]
Add: Sale of alcoholic liquor for human consumption in Uttarakhand [As per section 2(47), exempt supply includes non-taxable supply. Thus, supply of alcoholic liquor for human consumption in Uttarakhand, being a non-taxable supply, is an exempt supply and is, therefore,		5,00,000

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includible while computing the aggregate turnover.]		
Add: Supply of packed food items from restaurant in Maharashtra	1,50,000	3,50,000 [₹ 1,50,000 + ₹ 2,00,000]
Aggregate Turnover	7,00,000	20,50,000

Rishabh Enterprises was not liable to be registered in the month of February since its aggregate turnover did not exceed ₹ 20 lakh in that month. However, since its aggregate turnover exceeds ₹ 20 lakh in the month of March, it should apply for registration within 30 days from the date on which it becomes liable to registration. Further, he is not liable to be registered in Uttarakhand since he is not making any taxable supply from Uttarakhand. It should obtain registration in Maharashtra.

5. Computation of aggregate turnover of M/s Jayant Enterprises for the FY

Particulars	**₹**
Supply of diesel on which Sales Tax (VAT) is levied by Rajasthan Government [Note-1]	1,00,000
Supply of goods, after the completion of job work, from the place of Jayant Enterprises, directly by the principal [Note-2]	Nil
Export supply to England [Note-3]	5,00,000
Supply to its own additional place of business in Rajasthan[27] [Note-4]	Nil
Outward supply of services on which GST is to be paid by recipient under reverse charge [Note-5]	1,00,000
Aggregate turnover	**7,00,000**

[27]*The above solution has been worked out on the assumption that supply to another place of business is without consideration (as per general business practices).*

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Notes:-

1. As per section 2(47), exempt supply includes non-taxable supply. Thus, supply of diesel, being a non-taxable supply, is an exempt supply and exempt supply is specifically includible in aggregate turnover in terms of section 2(6).

2. Supply of goods after completion of job work by a principal by declaring the place of business of job worker its additional place of business shall be treated as the supply of goods by the principal in terms of explanation (ii) to section 22.

3. Export supplies are specifically includible in the aggregate turnover in terms of section 2(6).

4. Supply made without consideration to units within the same State is a not a supply and hence not includible in aggregate turnover.

5. Outward supplies taxable under reverse charge would be part of the "aggregate turnover" of the supplier of such supplies. Such turnover is not included as turnover in the hands of recipient.

   As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019,* 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:-

   (i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

   (ii) ₹ 20 lakh for the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.

   (iii) ₹ 40 lakh for 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:-

   (i) ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

   (ii) ₹ 20 lakh for the rest of India.

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The applicable turnover limit for registration, in the given case, will be ₹ 20 lakh as Rajasthan is not a Special Category State and M/s. Jayant Enterprises is engaged in supply of goods and services. Although, the aggregate turnover of M/s Jayant Enterprises does not exceed ₹ 20 lakh, it is compulsorily required to register in terms of section 24(i) irrespective of the turnover limit as it is engaged in making inter-State supply of goods in the form of exports to England.

6. Computation of aggregate turnover of Rajesh Dynamics:

Particulars	**₹**
Supply of petrol at Chennai, Tamil Nadu [Being a non-taxable supply, it is an exempt supply and thus, includible in aggregate turnover vide section 2(6)]	18,00,000
Value of inward supplies on which tax is payable on reverse charge basis	Nil
Supply of transformer oil at Chennai, Tamil Nadu	2,00,000
Value of branch transfer from Chennai, Tamil Nadu to Bengaluru, Karnataka without payment of consideration [Being a taxable supply, it is includible in aggregate turnover]	1,50,000
Value of taxable supplies of Manipur Branch	11,50,000
Aggregate turnover	**33,00,000**

Rajesh Dynamics is not liable to be registered in Chennai, Tamil Nadu, if his aggregate turnover in a financial year does not exceed ₹ 40 lakh. However, since Rajesh Dynamics also makes taxable supplies from Manipur, a specified Special Category State, the threshold exemption gets reduced to ₹ 10 lakh in terms of section 22(1) *[Notification No.10/2019-CT dated. 07.03.2019]*.

Rajesh Dynamics' argument that it is not liable to registration since the threshold exemption of ₹ 40 lakh is not being crossed either at Chennai, Tamil Nadu, Bengaluru, Karnataka or Manipur is not correct as firstly, the aggregate turnover to be considered in its case is ₹ 10 lakh and not ₹ 40 lakh and

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secondly, the same is computed on all India basis and not State-wise.

Apart from this, Rajesh Dynamics is also wrong in believing that aggregate turnover is computed only for the purpose of determining the eligibility limit for composition levy since the aggregate turnover is required for determining the eligibility for both registration and composition levy.

Last but not the least, Rajesh Dynamics is compulsorily required to register under section 24 irrespective of the turnover limit as it is liable to pay tax on inward supplies under reverse charge and it also makes inter-State taxable supply.

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