

7. REGISTRATION**MODEL WISE ANALYSIS OF PAST EXAM PAPERS OF IPCC & CA INTER**

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CHAPTER OVERVIEW

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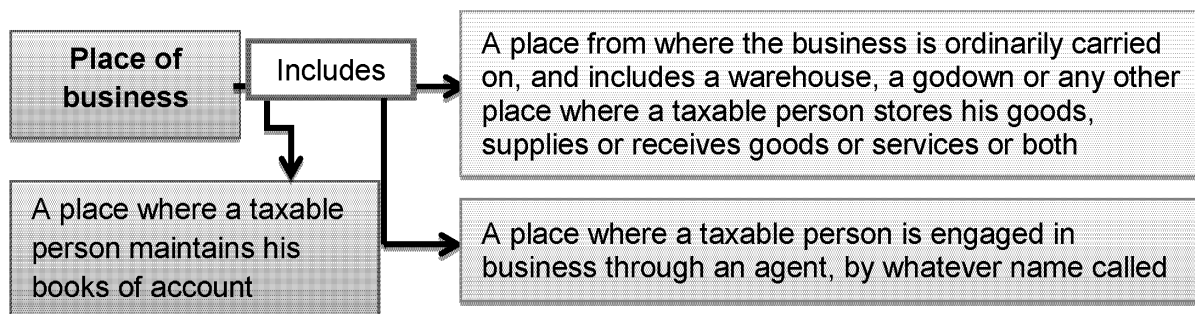
SECTION 1: THEORY FOR CLASSROOM DISCUSSION**1. NATURE OF REGISTRATION**

- 1) Generally, **Registration** legally recognizes a person as supplier of goods or services, authorizes him to collect taxes and pass on the credit of the taxes paid on the goods or services supplied to the purchasers/ recipients.
- 2) Under the GST regime, registration is PAN based.
- 3) Registration has to be taken **state-wise** even though the establishments belong to a single entity (i.e. No concept of centralised registration). But it is possible for the entities to be registered as centralised, **provided that** it can declare one establishment as principal place of business (PPOB) and other branches as additional place(s) of business (APOB) and such other establishments shall be situated in the same state not being a different business vertical.
- 4) 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.
- 5) Registration under GST is not tax specific, i.e. single registration for all the taxes i.e. CGST, SGST/UTGST, IGST and cesses.

2. DEFINITIONS

- 1) **COMMON PORTAL:** (www.gst.gov.in) means the common goods and services tax electronic portal referred to in section 146 [Section 2(26)].

2) **PLACE OF BUSINESS:**



- 3) **Agriculturist** means an individual or 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 [Section 2(7)].

- 4) **Appellate Authority** means an authority appointed or authorised to hear appeals as referred to in section 107 [Section 2(8)].
- 5) **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)].
- 6) **Principal place of business** means the place of business specified as the principal place of business in the certificate of registration [Section 2(89)].
- 7) **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)].
- 8) **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)].
- 9) **Tax period** means the period for which the return is required to be furnished [Section 2(106)].
- 10) **Taxable supply** means a supply of goods or services or both which is leviable to tax under this Act [Section 2(108)].
- 11) **Taxable territory** means the territory to which the provisions of this Act apply [Section 2(109)].
- 12) **GSTIN:** GST identification number called “GSTIN” - a 15-digit number and a certificate of registration incorporating, this GSTIN is made available to the applicant on the GSTN common portal.

Where the application for grant of registration has been approved, a certificate of registration [duly signed or verified through EVC by the proper officer] in **FORM GST REG-06** showing the principal place of business (PPoB) and additional place(s) of business (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.

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GSTIN format

State Code	PAN										Entity Code	Check sum character

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. (PPoB - Principal place of Business and APoB - Additional place of Business.)

3. PERSONS LIABLE FOR REGISTRATION

1) Who is liable for registration?

- a) 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 **Rs.20 lakh** in a FY.
 - i) However, the threshold limit for Special category states will be Rs.10 lakh.
 - ii) For this purpose Special category states will be **Mizoram, Nagaland, Tripura and Manipur**.
 - iii) The Government may, at the request of a Special Category State and on the recommendations of the Council, **enhance** the threshold limit from **Rs.10 lakh** to such amount, not exceeding **Rs.20 lakh**.
- b) Any person who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed **Rs.40 lakh** is exempt from obtaining registration. However, the exemption is not applicable for the following persons:
 - i) Persons required to take compulsory registration u/s 24.
 - ii) Persons engaged in making supplies of ice cream and other edible ice, Pan Masala and Tobacco and manufactured tobacco substitutes.
 - iii) Persons engaged in making intra-State supplies in the States of **Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, and Uttarakhand**.
 - iv) Persons who has opted for voluntary registration or such registered persons who intend to continue with their registration under the act.

States with threshold limit of ₹ 10 lakh for both goods and services	States with threshold limit of ₹ 20 lakh for both goods and services	States with threshold limit of ₹ 20 lakh for services and ₹ 40 lakh for goods**
Manipur	Arunachal Pradesh	Jammu and Kashmir
Mizoram	Meghalaya	Assam
Nagaland	Sikkim	Himachal Pradesh
Tripura	Uttarakhand	All other States
	Puducherry	
	Telangana	

EXAMPLE:

Supplier	Engaged	Aggregate turnover	Applicable threshold limit for registration	Whether liable to obtain registration?
Tharun of Assam	exclusively in supply of shoes	Rs.22 lakh	Rs.40 lakh	No
	exclusively in supply of pan masala	Rs.22 lakh	Rs.20 lakh	Yes
	exclusively in supply of taxable services	Rs.22 lakh	Rs.20 lakh	Yes
	in supply of both taxable goods and services	Rs.22 lakh	Rs.20 lakh	Yes
Pradeep of Telangana	exclusively in supply of toys	Rs.22 lakh	Rs.20 lakh	Yes
	exclusively in supply of ice cream	Rs.22 lakh	Rs.20 lakh	Yes
	exclusively in supply of taxable services	Rs.22 lakh	Rs.20 lakh	Yes
	in supply of both taxable goods and services	Rs.22 lakh	Rs.20 lakh	Yes
Mounika of Manipur	exclusively in supply of paper	Rs.12 lakh	Rs.10 lakh	Yes
	exclusively in supply of tobacco	Rs.12 lakh	Rs.10 lakh	Yes
	exclusively in supply of taxable services	Rs.12 lakh	Rs.10 lakh	Yes
	in supply of both taxable goods and services	Rs.12 lakh	Rs.10 lakh	Yes

c) What is Aggregate turnover?

The term aggregate turnover as defined under the Act is **analysed** as follows:

Aggregate turnover shall be -

Includable	Excludable
a) Outward taxable supplies b) Outward exempt supplies c) Outward exports d) Outward inter-state supplies	a) CGST b) SGST c) UTGST d) IGST e) Compensation cess f) Value of inward supplies on which tax is payable under reverse charge

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

FOCUS POINTS:

- i) Aggregate turnover to include total turnover of all branches with same PAN.

FOR EXAMPLE, Dealer 'X' has two offices, one in Delhi and another in Haryana. In order to determine whether 'X' is liable for registration, turnover of both the offices would be taken into account and only if the same exceeds Rs.20 lakh, X is liable for registration.

- ii) Value of exported goods/services, exempted goods/ services, inter-state supplies between distinct persons having same PAN to be included in aggregate turnover.

FOR EXAMPLE, Rohan 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 whether Rohan Oils is liable for registration, turnover of both the supplies – non-taxable as well as taxable - would be taken into account and if the same exceeds Rs. 20 lakh, Rohan Oils is liable for registration.

- iii) Aggregate turnover to include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals.

FOR EXAMPLE, Mohini Enterprises has appointed M/s Bestfords & Associates as its agent. All the supplies of goods made by M/s Bestfords & Associates as agent of Mohini Enterprises will also be included in the aggregate turnover of M/s Bestfords & Associates.

iv) Aggregate turnover and State turnover are **not one and the same**. Aggregate turnover is used for determining the threshold limit for registration as well as eligibility for composition scheme whereas the composition levy would be calculated on the basis of **turnover in the State/UT**.

v) If a person having place of business in different States across India has one branch in any of the Special Category States, then the limit for GST registration will be Rs.10 lakh for all his branches.

d) From which state a taxable person shall be required to be registered?

A person is required to obtain registration with respect to his **each place of business in India from where a taxable supply has taken place**. However, a supplier is not liable to obtain registration if his aggregate turnover consists exclusively of non-taxable supply of goods or services or both.
(TEACH PROBLEM NO. 1, 2 OF CLASSROOM DISCUSSION)

2) Is transferee liable for registration in case of transfer of business or change in the ownership of business?

a) Where a business is transferred, whether on account of succession/ any other reason, to another person as a going concern, the transferee or successor, is required to be registered with effect from the date of such transfer/ succession.

b) In case of amalgamation/ demerger by an order of High Court etc., the transferee is liable to be registered from the date on which Registrar of Companies **issues incorporation certificate** giving effect to order of High Court etc.

c) As per clarification given by GST council, transfer or change in the ownership of business will include transfer/change in the ownership of business due to death of the sole proprietor.

4. PERSONS LIABLE FOR COMPULSORY REGISTRATION

The following are the persons liable for compulsory registration:

1) Persons making any inter-State taxable supply

Exception: Threshold limit will be applicable to inter-State supply of taxable services, notified handicraft goods and notified products subject to the following conditions:

- ✓ The aggregate value of such supplies to be computed on all India basis, does not exceed an amount of Rs.20 lakh/10 lakh in a FY.
- ✓ Have obtained a PAN and have generated an e-way bill.

2) Casual taxable persons (CTP) making taxable supply

Exception: Threshold limit will be applicable to CTP making inter-State taxable supplies of notified handicraft goods and notified products subject to the following conditions:

- ✓ The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs.20 lakh/10 lakh in a FY.
- ✓ Have obtained a PAN and have generated an e-way bill.

3) Persons who are required to pay tax under reverse charge

Exception: Persons engaged exclusively in making taxable supplies, tax on which is liable to be paid on reverse charge basis.

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

5) E-commerce:

a) Persons who supply goods/services/both through such ECO who is required to collect TCS U/S 52(Other than supplies specified U/S 9(5)). But limit of Rs.20 lakh/Rs.10 lakh is available for supply of services through ECO.

b) Person who are required to pay tax under reverse charge U/S 9(5).

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

- 6) Persons who are required to deduct tax under section 51, whether or not separately registered under this Act.
- 7) Persons who make taxable supply of goods/services/both on behalf of other taxable persons whether as an agent or otherwise.
- 8) Every person supplying **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 this Act.
- 10) Such other person or class of persons notified by the Government on the recommendations of the Council.

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Taxable person:

- (i) A person who is registered or liable to be registered under section 22 or section 24.
- (ii) Even an unregistered person who is liable to be registered is a taxable person.
- (iii) A person not liable to be registered, but has taken voluntary registration and got himself registered is also a taxable person.

(TEACH PROBLEM NO. 3, 4 OF CLASSROOM DISCUSSION)

5. PERSONS NOT LIABLE FOR REGISTRATION

- 1) Person engaged exclusively in supplying goods/ services/ both **not liable to tax**.
- 2) Person engaged exclusively in supplying goods/ services/ both **wholly exempt from tax**.
- 3) **Agriculturist** to the extent of supply of produce out of cultivation of land.
- 4) **Specified category** of persons notified by the Government on the recommendations of Council.

Following category of persons have been notified as being **exempted from obtaining registration**:

- a) Persons engaged exclusively in making taxable supplies, tax on which is liable to be paid on reverse charge basis U/S 9(3).
- b) 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 Rs.20 lakh/Rs.10 lakh.
- c) Persons making any inter-State taxable supplies of notified handicraft goods and notified products subject to the following conditions:
 - ✓ The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs.20 lakh/10 lakh in a FY.
 - ✓ Have obtained a PAN and have generated an e-way bill.
- d) Casual taxable persons (CTP) making inter-State taxable supplies of notified handicraft goods and notified products subject to the following conditions:
 - ✓ The aggregate value of such supplies, to be computed on all India basis, does not exceed an amount of Rs.20 lakh/10 lakh in a FY.
 - ✓ Have obtained a PAN and have generated an e-way bill.

6. PROCEDURE FOR REGISTRATION

- 1) **Time limit for registration:**

Particulars	Time and Place for registration
a) Persons who is liable for registration or compulsory registration	a) Within 30 days from the date on which he becomes liable to registration in every state/ union territory in which he is so liable

b) Casual taxable person or Non-resident taxable person	b) at least 5 days prior to the commencement of business in every state/ union territory in which he is so liable
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EXAMPLE, Sugam Services Ltd. is engaged in taxable supply of services in Madhya Pradesh. The turnover of Sugam Services Ltd. exceeded Rs.20 lakh on 1st November. It is liable to get registered by 1st December in the State of Madhya Pradesh.

2) Is single registration sufficient for multiple locations?

- Registration needs to be taken **states wise**. But an entity can apply for single registration, **provided that** it declares one place as principal place of business (PPOB) and other branches as additional place(s) of business (APOB) **and** all such establishments shall be situated in the same state/UT (**Single registration – within the state**).
- However, 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 (**even though such establishments will be situated in the same state/UT**) subject to (**Multiple registration - within the state**);
 - ✓ Such person has more than one place of business;
 - ✓ Such person shall not pay tax under composition levy for any of his places of business if he is paying tax under normal scheme for any other place of business;
 - ✓ All separately registered places of business of such person shall pay tax under the Act on supply of goods or services or both made to another registered place of business of such person and issue a tax invoice/a bill of supply.

c) There is no centralised registration as per GST.

d) Distinct persons:

The persons shall be treated as distinct persons if

- A person who has **obtained/ is required to obtain more than one registration**, whether in one or more State/ Union territory.
- A person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment **and has an establishment in another State or Union territory.**

3) Can a person be allowed to be registered (i.e. single registration) for his normal supplies and composite supplies as well?

- If one **place of business** of a taxable person is paying tax under normal levy, **no other place of business** shall be granted registration to pay tax under composition levy.
- Further, if **one place of business** registered separately **becomes ineligible** to pay tax under **composition levy**, **all other places of business** would also become so **ineligible**.

4) Is any possibility exists for an unregistered person to be registered voluntarily?

- An unregistered person can get registered himself voluntarily even if turnover has not exceeded limit.
- Once a person get registered voluntarily, he was liable to pay GST **irrespective** of the fact that his aggregate turnover does not exceed Rs.20 lakh / 10 lakh as the case may be.

5) Is PAN mandatory for registration?

YES. PAN is mandatory to be eligible for grant of registration **except** in case of a Non-Resident Taxable Person (NRTP) where registration may be granted on the basis of prescribed documents.

6) What do you mean by UIN (Unique Identification Number)? In which cases it was required?

- Any specialized agency of the United Nations Organization or any Multilateral Financial institution and notified organization 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.
- UIN is needed for claiming refund of taxes paid on notified supplies of goods/services/both received and it shall be applicable to the territory of India (Centralized).

- c) The proper officer may, upon submission or after filling up or after receiving a recommendation from the Ministry of External Affairs, Government of India, assign and issue registration certificate within 3 working days from the date of submission of application.

7) A registration can be granted by a proper officer himself. Comment?

- a) A proper officer **finds** that a person liable to registration under the Act has **failed to apply for such registration**, in pursuant to any **survey, enquiry, inspection, search or any other proceedings** under the Act, may register the said person on a temporary basis and issue an order in prescribed form.
- b) Such person so registered temporarily, **shall**
- i) Submits an application for registration **within 90 days** from the date of grant of temporary registration **or**
 - ii) Submits an application for registration **within 30 days** from the date of order of the appellant authority, in case if such person files an appeal against such temporary registration and the appellant authority upheld the proper officer.

8) What is the procedure for registration?

- a) Every person liable to get registered and person seeking voluntary registration shall, apply for registration, by declaring his Permanent Account Number (PAN), mobile number, e-mail address, State/UT in Part A of FORM GST REG- 01 on GST Common Portal. There is no registration under GST by filing documents manually.
- b) Permanent Account Number (PAN), mobile number and e-mail address shall be validated by **CBDT, OTP** respectively.
- c) Temporary Reference Number (TRN) is generated and communicated to the applicant on the validated mobile number and e-mail address.
- d) Using TRN, the applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.
- e) While submitting the application, the applicant shall undergo authentication of Aadhaar number for grant of registration.
- f) 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, etc.

Note: In case of a casual taxable person TRN will be generated only after deposit of prescribed advance by the applicant.

- g) On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically.
- h) Proper Officer examines the application and accompanying documents.
- i) If the details given by the applicant are genuine, then the Proper Officer issues notice electronically, within 3 working days from the date of submission of application or within 7 working days from the date thereby seeking clarification, information or documents from the applicant (in case the applicant has given wrong details and he responds to the clarification within 7 days of the notice properly).
- j) Notice may be issued not later than 21 days from application submission date in case where a person fails to undergo Aadhaar authentication/does not opt for Aadhaar authentication
- k) Proper officer will -
- i) grant registration certificate in Form GST REG-06 **or**
 - ii) Reject the application for reasons to be recorded in writing (In case the applicant does not respond the clarification seeking by proper officer **or** the particulars given found to be incorrect).
- l) 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-

- in cases where a person successfully undergoes authentication of Aadhaar number or is exempt from Aadhaar authentication – within a period of 3 working days from the date of submission of application
- In cases where a person fails to undergo Aadhaar authentication or does not opt for Aadhaar authentication – Within a period of 21 days from the date of submission of application.
- In cases where Proper Officer issues notice seeking clarification, information or documents from the applicant – Within 7 working days from the date of receipt of clarification, information or documents furnished by the applicant.

m) Thus, in case of successful authentication of Aadhaar, registration will be deemed approved within 03 working days. However, if Aadhaar authentication is not opted for or if authentication fails in validation and no SCN is issued within 21 days by tax official, registration will be deemed approved. Tax Officer can issue SCN within the period specified for grant of registration, like in cases of successful Aadhaar authentication i.e. 3 working days, or in cases when taxpayer do not opt to provide Aadhaar or when Aadhaar authentication fails i.e. 21 working days. Applicants can submit their reply within 7 working days from issue of SCN.

A) Persons required to undergo aadhaar authentication:

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

a) New applicant

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 812. 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:

i) the date of authentication of the Aadhaar number,

or

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

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].

b) 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.

B) Where Aadhaar number is not assigned

a) 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 914

First proviso to rule 9(1) provides that where a person fails to undergo authentication of aadhaar number or does not opt for authentication of Aadhaar number, the registration shall be granted only after physical verification of the principal place of business in the prescribed manner (specified in rule 25 discussed subsequently).

However, in lieu of the physical verification of the place of business, the proper officer may carry out the verification of such documents as he may deem fit. For this, he needs to record the reasons in writing and needs to take the approval of an officer not below the rank of Joint Commissioner [Second proviso to rule 9(1)].

Further, in such case, a notice (in prescribed form) seeking clarifications/ information/ documents from the applicant may be issued by the proper officer not later than 21 days from the submission of the application for registration [Proviso to rule 9(2)].

b) In case of an already registered persons

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 manner¹⁵.

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 registration¹⁶

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 have been notified in this regard¹⁷:

- a) A person who is not a citizen of India
- b) A class of persons other than the following class of persons:
 - Individual
 - Authorised signatory of all types
 - Managing and Authorised partner
 - Karta of a Hindu Undivided Family

D) How aadhaar authentication is done?

Once registration application is submitted, GST system sends "link" to the concerned persons at their GST registered mobile numbers and email ids mentioned in the GST application, for the aadhaar authentication.

On clicking the verification link, a window for Aadhaar Authentication will open where they have entered Aadhaar Number and the OTP received by them on the mobile number linked with Aadhaar. Taxpayers need to complete Aadhaar authentication of all Promoters/ Partners/ Authorized Signatories/ Karta etc. as mentioned in the application to avail this option. On successful authentication, demographic data of the persons is fetched from Aadhaar to GST System.

E) 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 with respect to details of bank account, or any other information, as may be required on the common portal in order to comply with any other provision, soon after obtaining certificate of registration and a GSTIN, but not later than 45 days from the date of grant of registration or the date on which the return required under section 39 is due to be furnished, whichever is earlier.

In short, a taxpayer has an option to give his bank account details after obtaining registration, within 45 days from the date of grant of registration or the due date of furnishing return, whichever is earlier.

However, this relaxation is not available for those who have been granted registration as TDS deductor/ TCS collector under rule 1218 or who have obtained 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]

Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication or due to not opting for Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done. The verification report along with the other documents, including photographs, shall be uploaded in prescribed form on the common portal within a period of 15 working days following the date of such verification.

Issuance of registration certificate [Rule 10]

Where the application for grant of registration has been approved, 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.

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

9) Special provisions of registration with respect to Casual taxable person (CTP), Non-resident taxable person (NRTP)? (FOR STUDENTS SELF-STUDY)

- a) A CTP and NRTP will make taxable supplies **only after the issuance of the certificate of registration.**
- b) 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.**
- c) A NRTP does **not have fixed place of business/residence in India.**
- d) The specified persons (CTP, NRTP) have to apply for registration **at least 5 days in advance** before making any supply.
- e) Registration is granted to them for period of operation is extended **only after they make advance deposit** of the estimated tax liability.

NOTE: TRN will be generated **only after deposit** of prescribed advance by CTP/ NRTP

- f) Registration is granted to the specified persons -
 - i) **for the 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).
- g) GST registration shall be deemed to be granted under all the GST acts **unless** otherwise a specific GST act rejects the application for registration.

FOR EXAMPLE, 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.

- h) GST registration shall be deemed to be ceased if a specific act of GST cancelled the registration.
- FOR EXAMPLE,** Rejection of application for registration/UIN under SGST Act/UTGST Act is deemed to be rejection of application for registration under CGST Act.

10) What is the effective date of registration?

In case where -	Effective date of registration
An application submitted within 30 days of the applicant becoming liable to registration	date on which he becomes liable to registration

An application submitted after 30 days of the applicant becoming liable to registration	date of grant of registration
--	--------------------------------------

EXAMPLES:

- i) Sugam Services Ltd. is located in Madhya Pradesh. The taxable turnover of Sugam Services Ltd. exceeded Rs. 20 lakh on 1st November. It is liable to get registered by 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.
- ii) 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.
- (TEACH PROBLEM NO. 5, 6 OF CLASS ROOM DISCUSSION)**

7. CHANGES IN REGISTRATION

- 1) A taxable person shall be able to make changes / amendments without **requiring any specific approval** from the tax authority **except** for the changes in **core field areas**.
- 2) In case of any change in the registration **other than core field areas**, the registered person shall submit an application in prescribed manner, either at the time of obtaining registration or UIN or as amended from time to time, **within 15 days** of such change, along with documents relating to such change at the Common Portal.
- 3) In case of any change in the registration **core field areas**, such change shall be approved or rejected by the proper officer.

What are the areas requires the approval of proper officer?

Approval of the proper officer required in the case where there is a change in –

- a) Legal name of business
- b) Address of PPOB (Principle place of business) or APOB (Additional place of business)
- c) Addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent responsible for day to day affairs of the business;

NOTE: Mobile number or E-mail address of authorised signatory can be amended only after online verification through GST Portal.

- 4) If the proper officer is of the opinion that amendment is unwarranted or documents furnished are incomplete/ incorrect, he shall issue a show cause notice (SCN) **within 15 days** of receipt of application.
- 5) The recipient of such SCN shall respond **within 7 days** of the date of receipt of such notice.
- 6) Upon the receipt of the response received from the registered person, the proper officer may approve the amendment or change in the registration if he found it satisfactory. Otherwise such amendment shall be rejected.
- 7) The amended registration certificate shall be **deemed to have been granted** if the proper officer fails to take the action **within 15 days** of date of submission of application **or within 7 days** of the date of receipt of reply of show cause notice issued by such proper officer.
- 8) Since the **GSTIN** is PAN based, the change in PAN would results the need for applying new registration rather than amending the old registration.
- 9) The proper officer **shall not reject** the application without giving the person an **opportunity of being heard**.
- 10) Any **rejection or approval** of amendments under the **SGST/UTGST Act** shall be deemed to be a **rejection or approval under this Act**.
- 11) Any **particular of the application** for registration **shall not** stand amended with effect from a date **earlier than** date of submission of application for amendment except with **order of Commissioner** with reasons in writing and subject to **conditions** specified by Commissioner.

8. CANCELLATION OF REGISTRATION & REVOCATION OF CANCELLATION

1) CASES WHERE REGISTRATION IS LIABLE TO BE CANCELLED:

Registration can be cancelled either by proper officer on his own (or) on application by a registered person/ legal heirs	Registration can be cancelled by proper officer on his own
a) Business discontinued b) Business transferred fully for any reason including death of the proprietor c) Business Amalgamated with other legal entity d) Business demerged or Otherwise disposed of e) Change in the constitution of the business f) Taxable person (other than voluntarily registered person) who is no longer liable to be registered	a) Registered person does not conduct any business from the declared place of business b) Registered person issues invoice/bill without supply of goods/services in violation of the provisions of this Act, or the rules made thereunder c) Registered person violates the provisions of section 171 of the CGST Act relating to anti-profiteering measure d) A registered person has not filed returns for continuous 6 months (3 Consecutive tax periods in case of a person who opted for composition levy) e) Voluntarily registered person has not commenced the business within 6 months from the date of registration f) Registration was obtained by means of fraud, willful misstatement or suppression of facts

2) PROCEDURE FOR CANCELLATION OR SUSPENSION OF REGISTRATION:

(FOR STUDENTS SELF-STUDY)

- a) A registered person **seeking cancellation** of registration shall electronically submit the application in prescribed form **within 30 days** of occurrence of the event warranting cancellation, by furnishing the details of
- i) inputs held in stock
 - ii) contained in semi-finished
 - iii) finished goods held in stock
 - iv) capital goods held in stock
 - v) the payment, if any, made against such liability
 - vi) such other relevant documents required

As on the date from which cancellation of registration is sought

- b) If the proper officer is of the opinion that the applicant was **no longer liable to be registered**, he shall issue the order of cancellation of registration **within 30 days** from the date of submission of application for cancellation.
- c) In case the proper officer cancels the registration on his own (i.e. without an application made by a registered person), he shall not cancel the same without giving a show cause notice and reasonable opportunity of being heard.

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.

The person **instead of replying SCN**, furnishes all the **pending returns** and makes **full payment of the tax dues along with interest and late fee**, the proper officer shall drop the proceedings and pass an order.

- d) The cancellation of registration shall be effective from a date to be determined by the proper officer and only after payment of arrears of any tax, interest or penalty.
- e) 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 filed by such registered person.

f) **Period and manner of suspension of registration:**

- ❖ Where registered person has applied for cancellation of registration: The registration shall be deemed to be suspended from

- (i) The date of submission of the application or
 - (ii) The date from which the cancellation is sought;
- whichever is later, pending the completion of proceedings for cancellation of registration.
- ❖ Where cancellation of the registration has been initiated by the Department on their own motion: The proper officer suspends 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.
 - ❖ A registered person, whose registration has been suspended
 - i) Shall not make any taxable supply during the period of suspension. and
 - ii) Shall not be required to furnish any return.

Meaning of not making taxable supply during suspension of registration clarified and Registered person required to issue revised tax invoice and file first return for supplies during suspension period [Rule 21A of the CGST Rules].

- a) An explanation has been inserted to this sub -rule (3) to rule 21A clarifying that 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.
 - b) a new sub-rule (5) has been inserted in said rule to provide that 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] and section 40 [first return] in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.
- ❖ The suspension of registration shall be deemed to be revoked upon completion of the cancellation proceedings by the proper officer.
 - ❖ 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] and section 40 [first return] in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.

3) **REVERSAL OF CREDIT:**

a) **Inputs:**

The amount of reversal by a registered person as determined by the CGST rules, shall be the higher of –

i) The credit availed in respect of –

Inputs held in stock (raw material),

Inputs contained in semi-finished stock / finished stock

As on the date immediately preceding to the date of Cancellation

ITC on inputs Computed proportionately on the basis of corresponding invoices (If tax invoices are not available, the ITC to be reversed will be based on the prevailing market price of such goods on the date of cancellation) on which credit had been availed on such inputs.

OR

ii) Output tax payable

shall be paid by such person by debiting the electronic credit or cash ledger.

Capital goods: The amount of reversal by a registered person as determined by the CGST rules, shall be the higher of –

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b)

- i) ITC in respect of capital goods or plant & machinery
ITC involved in the remaining useful life in months of the capital goods will be **reversed on pro-rata basis**, taking the useful life as 5 years

OR

- ii) **Tax on the transaction value** of such capital goods or plant and machinery **shall** be paid by such person by debiting the electronic credit or cash ledger.

For example: 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 = $C \times 5/60$

FOCUS POINTS:

- a) A person to whom a UIN has been granted under rule 17 (i.e. United Nations Organization or any Multilateral Financial institution and organization etc.) cannot apply for cancellation of registration.
- b) 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.
- c) The cancellation of registration under either SGST Act/ UTGST Act shall be deemed to be a cancellation of registration under CGST Act.

4) REVOCATION (I.E. CANCELLATION) OF CANCELLATION OF REGISTRATION:

(FOR STUDENTS SELF-STUDY)

- a) A registered person may apply for revocation of the cancellation to such proper officer who cancelled the registration on his own, **within 30 days** from the date of service of the order of cancellation of registration, at the GST Common Portal.
But in case such registered person made defaults in respect of the provisions of the Act, first he shall made such defaults good.
- b) If the proper officer gets satisfied with revocation, he may revoke the cancellation of registration, by an order **within 30 days** of receipt of application and communicate the same to applicant.
- c) If the proper officer was not satisfied with the revocation, he may reject the revocation application by issuing a SCN to the applicant who shall furnish the clarification **within 7 working days** of service of SCN.
- d) The proper officer shall dispose the application (accept/reject the same) **within 30 days** of receipt of clarification.
- e) 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.
- f) Where the registration has been cancelled with effect from the date of order of cancellation of registration;
 - All returns due till the date of such cancellation are required to be furnished before the application for revocation can be filed and
 - All returns required to be furnished in respect of 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.
- g) Where the registration has been cancelled with retrospective effect, the application for revocation of cancellation of registration can 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.

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SECTION 2: PROBLEMS FOR CLASSROOM DISCUSSION

PROBLEM NO.1: Determine the effective date of registration in following cases:

- a) The aggregate turnover of Dhampur Industries of Delhi has exceeded Rs. 40 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.
- b) Mehta Teleservices is an internet service provider in Lucknow. Its aggregate turnover exceeds Rs. 20 lakh on 25th October. It submits the application for registration on 27th November. Registration certificate is granted to it on 5th December.

(NEW SM, MTP N19 (N&O))

(ANS.: A) 1ST SEPTEMBER; B) 5TH DECEMBER)

PROBLEM NO.2: Determine the effective date of registration in the following instances:

- a) The aggregate turnover of Madhu Ltd., engaged in taxable supply of services in the state of Punjab, exceeded Rs.20 lakh on 25th August, 2020. It applies for registration on 19th September, 2020 and is granted registration certificate on 29th September, 2020.
- b) What will be your answer, if in the above scenario, Madhu Ltd. submits the application for registration on 27th September, 2020 and is granted registration on 5th October, 2020?

(M18(N) - 4M, MTP N18(N&O)) (ANS.: A) 25TH AUGUST; B) 5TH OCTOBER)

PROBLEM NO.3: Examine the liability of compulsory registration under section 24 of the CGST Act, 2017 in each independent cases mentioned below:

- a) Meenu is a supplier in Maharashtra, is engaged in supply of potatoes within Maharashtra and also outside Maharashtra and also outside Maharashtra whose turnover exceeds threshold limit under GST law.
- b) Jinu Oils, Gujarat, is engaged in supplying machine oil as well as petrol. Total turnover of machine oil is Rs.40 lakhs and of petrol is Rs.30 lakhs.
- c) Tilu is working as an agent, he is supplying goods as an agent of Tiku (who is registered taxable person) and its aggregate turnover does not exceed Rs.20 lakhs during the financial year.

(M19(O) - 5M) (ANS.: I) LIABLE; II) LIABLE; III) LIABLE)

PROBLEM NO.4: State with brief reason, whether following suppliers of taxable goods are required to register under the GST law:

- 1) Mr. Raghav is engaged in wholesale cum retail trading of medicines in the state of Assam. His aggregate turnover during the FY is Rs.9,00,000 which consists of Rs.8,00,000 as Intra-State supply and Rs.1,00,000 as Inter-State supply.
- 2) Mr. S.N Gupta of Rajasthan is engaged in trading of taxable goods on his own account and also acting as an agent of Mr. Rishi of Delhi. His turnover in the FY 2018-19 is of Rs.12 lakhs on his own account and Rs.9 lakhs on behalf of principal. Both turnovers are Intra-State supply.

(M19(N) - 4M) (ANS.: I) LIABLE; II) LIABLE)

PROBLEM NO.5: Mr. Andrew, a non-resident person, wishes to provide taxable supply of goods. He has no fixed place of business or residence in India. He seeks your advise on the following aspects, relating to CGST Act, 2017:

- i) When shall he apply for registration?
- ii) Is PAN mandatory for his registration?
- iii) What is the period of validity of RC granted to him?
- iv) Will he be able to extend the validity of his registration? If yes, what will be the period of extension?

(MTP M19(O))

(ANS.: I) AT LEAST 5 DAYS PRIOR TO THE COMMENCEMENT OF BUSINESS; II) NOT MANDATORY; III) AS PER PROVISIONS; IV) YES)

PROBLEM NO.6: Mr. Gold runs a retail shop for handmade jewellery and is registered in Chennai. Mr. Gold is planning to sell the jewellery at an exhibition in Mumbai, to be held from 1st January 2020 to 10th January 2020. Advise time with regard to registration and payment of GST. (ANS.: REGISTER AS CTP)

PROBLEM NO.7: BBD Pvt. Ltd. of Gujarat exclusively manufactures and sells product 'Z' which is exempt from GST vide notifications issued under relevant GST legislations. The company sells 'Z' only within Gujarat and is not registered under GST. laws. The turnover of the company in the previous year 20x1-x2 was ₹ 50 lakh. The company expects the sales to grow by 10% in the current year 20x2-x3.

However, effective from 01.01.20x3 exemption available on 'Z' was withdrawn by the Central Government and GST @ 5% was imposed thereon. The turnover of the company for the nine months ended on 31.12.20x2 was ₹ 42 lakh. BBD Pvt Ltd. is of opinion that it does not require to get registered under GST for current financial year 20x2-x3. Examine the above scenario and advise BBD Pvt. Ltd. whether it needs to get registered under GST or not? (NOV 20) (ANS: THE COMPANY NEEDS TO REGISTER WITHIN 30 DAYS FROM 01.01.20X3)

PROBLEM NO.8: Pure Oils, Delhi has supplied machine oil and high-speed diesel in the month of April as per the details given in table below. Pure Oils is not yet registered.

S.no.	Particulars	Amount(₹)*
(i)	Supply of machine oil in Delhi	15,00,000
(ii)	Supply of high speed diesel in Delhi	10,00,000
(iii)	Supply of machine oil made in Punjab by Pure Oils from its branch located in Punjab	10,00,000

*excluding GST

Determine whether Pure Oils is liable for registration. (Ans: Pure Oils is not liable to be registered.)

SECTION 3: PRINTED SOLUTIONS FOR CLASSROOM PROBLEMS

PROBLEM NO.1

- a) As per section 22 of the CGST Act, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds Rs.20 lakh/Rs.10 lakh in case of Mizoram, Nagaland, Tripura and Manipur or **Rs.40 lakhs in case of exclusive supply of goods made within the state**, within 30 days from the date on which it becomes so liable to registration. Where an applicant submits application for registration within 30 days from the date he becomes liable to registration, effective date of registration is the date on which he becomes liable to registration otherwise it is the date of grant of registration.

In the given case, threshold limit of registration for Dhampur Industries is **Rs.40 lakh as it is engaged in making exclusive supply of goods** made within Delhi (assumed). The aggregate turnover of Dhampur Industries exceeded Rs.40 lakh on 1st September. Thus, it is liable to get registered by 1st October [30 days] in the State.

Since, Dhampur Industries applied for registration on 20th September i.e. before the expiry of 30 days from the date on which it becomes so liable to registration, the effective date of registration in its case is 1st September.

- b) Since in the given case, the turnover of Mehta Teleservices exceeds Rs. 20 lakh on 25th October, it becomes liable to registration on said date. Further, since the application for registration has been submitted after 30 days from the date such person becomes liable to registration, the registration shall be effective from the date of grant of registration. Therefore, the effective date of registration is 5th December.

PROBLEM NO.2

A supplier whose aggregate turnover in a financial year exceeds Rs.20 lakh in a State/UT [Rs.10 lakh in Special Category States except Jammu and Kashmir] is liable to apply for registration within 30 days from

the date of becoming liable to registration (i.e., the date of crossing the threshold limit of Rs.20 lakh/Rs.10 lakh).

Where the application is submitted within the said period, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

In the given case, the applicable turnover limit for registration will be Rs.20 lakh as Punjab is not a Special Category State.

- a) Since Madhu Ltd. applied for registration within 30 days of becoming liable to registration, the effective date of registration is 25th August, 2020.
- b) In this case, since Madhu Ltd. applies for registration after the expiry of 30 days from the date of becoming liable to registration, the effective date of registration is 5th October, 2020.

PROBLEM NO.3

- i) Every supplier is required to obtain registration irrespective of his threshold limit if the supplier makes inter-state sales.

In the given case, Meenu, supplier in Maharashtra supplied potatoes outside Maharashtra i.e. (Inter-state sales). Therefore, Meenu is liable for compulsory registration u/s 24.

- ii) Every supplier of goods or services or both is required to obtain registration in the state or the union territory from where he makes taxable supply if his aggregate turnover exceeds Rs.20 Lakhs in a financial year.

While calculating aggregate turnover we need to consider exempt supplies also.

Any person who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed Rs.40 lakh is exempt from obtaining registration.

In the present case, Jinu Oils is engaged in supplying machine oil and petrol i.e. engaged in exclusive supply of goods. So, eligible for Rs.40 lakhs exemption limit.

Therefore, Jinu Oils engaged in supplying machine oil and petrol (Non-taxable supplies) having turnover of Rs.40 lakhs and Rs.30 lakhs respectively. The aggregate exceeds Rs.40 lakhs. Therefore, Jinu Oils is required to obtain registration.

- iii) Any person who makes supplies on behalf of other taxable persons whether on an agent or otherwise liable for registration u/s 24.

Therefore, Tilu is liable for Compulsory Registration u/s 24.

PROBLEM NO.4

Any person who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed Rs.40 lakh is exempt from obtaining registration. However, the exemption is not applicable for the following persons:

- a) Persons required to take compulsory registration u/s 24.
 - b) Persons engaged in making supplies of ice cream and other edible ice, Pan Masala and Tobacco and manufactured tobacco substitutes.
 - c) Persons engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, and Uttarakhand.
 - d) Persons who has opted for voluntary registration or such registered persons who intend to continue with their registration under the act.
- i) In the present case, Mr. Raghav is engaged in wholesale cum retail trading of medicines in the state of Assam i.e. engaged in exclusive supply of goods. But making Inter-state supply of medicines. So, covered under compulsory registration u/s 24. Therefore, Mr. Raghav is liable for compulsory registration u/s 24.
 - ii) Any person who makes supplies on behalf of other taxable persons whether on an agent or otherwise liable for registration u/s 24. Therefore, S.N. Gupta is liable for Compulsory Registration u/s 24.

PROBLEM NO.5

- i) Mr. Andrew, being a non-resident person, should apply for registration, irrespective of the threshold limit, at least 5 days prior to the commencement of business.
- ii) No, PAN is not mandatory for his registration.
- He has to submit a self-attested copy of his valid passport along with the application signed by his authorized signatory who is an Indian Resident having valid PAN.
- 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.
- iii) Registration Certificate granted to Mr. Andrew will be valid for:
- a) Period specified in the registration application, or
 - b) 90 days from the effective date of registration
- whichever is earlier.
- iv) Yes, Mr. Andrew can get the validity of his registration extended. Registration can be extended further by a period not exceeding 90 days.

PROBLEM NO.6

Mr. Gold should apply for registration as a casual taxable person within 5 days prior to the date of commencing the exhibition on 1st January 2020. Mr. Gold should also make an advance deposit of the estimated tax liability for the period from 1st January 2020 to 10th January 2020.

PROBLEM NO.7

BBD Pvt Ltd. is supplier of goods and is located in State of Gujarat. Presuming that its supplies are only intra-state supplies, the specified threshold for registration is Rs 20,00,000 as specified in Sec 22 of CGST Act, 2017. Further, he being exclusive supplier of goods and fulfilling all the conditions of Notification No. 10/2019 CT issued u/Sec 23(2), he is entitled to enhanced threshold of Rs 40,00,000. In other words, he shall be liable for registration as and when his 'aggregate turnover' during a FY exceeds Rs 40,00,000.

Sec 23(1) of the CGST Act, 2017 exempts a person from registration so long as he is supplying goods which are not-taxable (not liable to GST). Goods supplied by BBD Pvt Ltd. are not taxable (being wholly exempt), it is not liable for registration till the time exemption is in force, i.e., up to 31st Dec, 20x2.

Post withdrawal of exemption, BBD Pvt. Ltd. liability for registration depends upon the 'aggregate turnover' made by it by that time. It shall be noted that 'aggregate turnover' has been defined in Sec 2(6) of CGST Act to include exempt supply. Thus, in the given case, on date of withdrawal of exemption by Government, the ATO achieved by BBD Pvt. Ltd. was Rs 42,00,000 which is more than the applicable threshold limit of ₹ 40,00,000. Therefore, as per above mentioned provisions, the company should be liable to registration.

Accordingly, the company needs to register within 30 days from 01.01.20x3 (the date on which it becomes liable to registration).

Ours advice to the company is that it shall apply for registration within the applicable time limit.

PROBLEM NO.8

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:-

- a) ₹ 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.
- b) ₹20 lakh for the States, namely, States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- c) ₹ 40 lakh for rest of India except persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.

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

- ₹ 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.
- ₹ 20 lakh for the rest of India.

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

- all taxable supplies,
- all exempt supplies,
- exports of goods and/or services and
- 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'.

Section 9(2) provides that CGST is not Leviable on five petroleum products i.e. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel. As per section 2(47), exempt supply includes non-taxable supply. Thus, supply of high speed diesel in Delhi, being a non-taxable supply, is an exempt supply and is, therefore, includible while computing the aggregate turnover.

In the backdrop of the above-mentioned discussion, the aggregate turnover of Pure Oils for the month of April is computed as under:

S.no.	Particulars	Amount(₹)*
(i)	Supply of machine oil in Delhi	15,00,000
(ii)	Supply of high speed diesel in Delhi	10,00,000
(iii)	Supply of machine oil made in Punjab by Pure Oils from its branch located in Punjab	10,00,000
	Aggregate Turnover	35,00,000

Pure Oils is making exclusive supply of goods and hence the threshold limit for registration would be ₹40,00,000. Since the aggregate turnover does not exceed ₹ 40,00,000, Pure Oils is not liable to be registered.

SECTION 4: ASSIGNMENT PROBLEMS

PROBLEM NO.1: Determine the effective date of registration under CGST Act, 2017 in respect of the following cases with explanation:

- The aggregate turnover of Varun Industries of Mumbai has exceeded Rs.40 lakhs on 1st August, 2020. It submits the application for registration on 20th August, 2020. Registration certificate granted on 25th August, 2020.
- Sweta InfoTech Services are the provider of internet services in Pune. The aggregate turnover of them exceeds Rs.20 lakhs on 25th September, 2020. It submits the application for registration on 27th October, 2020. Registration certificate is granted on 5th November, 2020. (NEW SM) (M18(O) - 4M)

(ANS.: I) 1ST AUGUST; II) 5TH NOVEMBER)

PROBLEM NO.2: Determine the effective date of registration in following cases:

- The aggregate turnover of Grand Industries of Delhi has exceeded Rs.40 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.
- Mangal Teleservices is an internet service provider in Lucknow. Its aggregate turnover exceeds Rs.20 lakh on 25th October. It submits the application for registration on 27th November. Registration certificate is granted to it on 5th December. (MTP M19(N&O))

(ANS.: I) 1ST SEPTEMBER; II) 5TH DECEMBER)

PROBLEM NO.3: State which of the following suppliers are liable to be registered:

- Agent supplying goods on behalf of some other taxable person and its aggregate turnover does not exceed Rs. 20 lakh during the financial year.
- An agriculturist (i.e. farmer) who is only engaged in supply of produce out of cultivation of land.

(NEW SM) (ANS.: I) SEC.22 WILL APPLICABLE; II) SEC.23 WILL APPLICABLE)

PROBLEMNO. 4: Examine, with reason, whether registration is required under CGST Act, 2017 in the following independent cases:

- Aadhav computers of Gujarat- is providing computer Maintenance Service. Aggregate Turnover of Aadhav Computers is Rs. 15 Lakhs which comprises both inter-state and intra-state supply.
- Soft Wings of West Bengal, exclusively trading in garments' supplies its taxable goods to various States in India. Aggregate Turnover of Soft Wings is Rs. 35 Lakhs.

(N19 (O) - 4M) (ANS.: I) NOT REQUIRED TO OBTAIN REGISTRATION; II) REQUIRED TO OBTAIN REGISTRATION)

PROBLEM NO.5: M/s Siya Ram is a trader of decorative items in Hauz Khas, Delhi. His aggregate turnover exceeded Rs. 20 lakh in the month of October, 20XX. He applied for registration on GST portal, but missed to submit the details of his bank account. His tax consultant advised him that prior submission of bank details is mandatory to obtain registration. Examine whether the advice of Mr. Siya Ram's tax consultant is correct.

(RTP M20 (N&O)) (ANS.: RELAXATION IS NOT AVAILABLE)

PROBLEM NO.6: M/s X Ltd is an advertising company located in Chennai and is registered as a normal taxable person there. Now, they have secured an assignment to manage digital marketing for the Koti Deepothsavam Festival, which will take place in Hyderabad (Telangana). This will require M/s X Ltd. to displace some resources in Hyderabad until the festival is over. Advise M/s X Ltd. to obtain for separate registration in the State of Telangana.

(ANS.: OBTAIN REGISTRATION AS CTP)

PROBLEM NO.7: LMN Pvt Ltd, Coimbatore exclusively manufactures and sell product 'X' which is exempt from GST- vide notifications issued under relevant GST legislations. The company sells 'X' only within Tamil Nadu. 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 01-07-2020. The purchase price of the capital goods was ₹ 30 lakh exclusive of GST @ 18%. However, effective from 01-11-2020, exemption available on 'X' was withdrawn by the central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30-09-2020 was ₹ 45 lakh.

- Examine the above scenario and advise LMN Pvt Ltd. whether it needs to get registered under GST.
- 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'?

(ANS.: I) COMPANY NEEDS TO REGISTER; II) NOT AVAIL CREDIT)

PROBLEM NO.8: Rajesh Dynamics, having its head office in Chennai, carries on the following activities with respective turnovers in a Financial year:

Sno.	Particulars	Amount(₹)*
(i)	Supply of petrol at chennai	18,00,000
(ii)	Value of inward supplies on which tax is payable on reverse charge basis	9,00,000
(iii)	Supply of transformer oil at chennai	2,00,000
(iv)	Value of branch transfer from Chennai to Bengaluru without payment of consideration	1,50,000
(v)	Value of taxable supplies at Manipur branch	11,50,000

It agrees that it does not have taxable turnover crossing threshold limit of Rs 40,00,000 either at Chennai or Bengaluru and including turnover at Manipur branch. It believes that the determination of aggregate turnover is not required for the purpose of obtaining registration but it is required for determining composition levy.

Decide based on the facts:

- i) The aggregate turnover of Rajesh Dynamics
- ii) All conditions that fulfill the requirement for registration under CGST Act, 2017 in the given circumstances
(ANS.: (I) 35,00,000; (II) RAJESH DYNAMICS IS COMPULSORY REQUIRED TO REGISTER)

SECTION 5: ADDITIONAL QUESTIONS FOR SELF PRACTICE

PROBLEM NO.1: Mr. X a dealer dealing with Intra-State supply of goods and services has place of business in India furnished the following information in the financial year 2019-20:

- i) Sale of taxable goods by Head Office located in Chennai for Rs.1,00,000
- ii) Supply of taxable services by Branch office at Bengaluru for Rs.50,000
- iii) Supply of goods exempted from GST Rs.10,000
- iv) Export of goods and services for Rs.2,00,000
- v) Sale of goods acting as agent on behalf of principal for Rs.15,00,000

(ANS.: NOT REQUIRED TO REGISTER UNDER GST AS TURNOVER IS LESS THAN RS. 20 LAKHS)

PROBLEM NO.2: Tirupati Box Manufacturing Co. started manufacturing corrugated boxes in Andhra Pradesh on 25.01.20XX. On 06.05.20XX, its aggregate turnover exceeded Rs.20 lakh and on 01.11.20XX, its aggregate turnover exceeded Rs.40 lakh. It applied for registration on 28.11.20XX and is granted registration certificate on 05.12.20XX. Determine the effective date of registration elaborating the relevant provisions.
(MTP M18 (N&O)) (ANS.: EFFECTIVE DATE: 1ST NOVEMBER, 20XX)

PROBLEM NO.3: Mr. Neerav Kothari of Jaipur often participates in the jewellery exhibition at Trade Fair in Delhi, which is organised every year in the month of February. Mr. Neerav Kothari applied for registration in January. The proper officer demanded an advance deposit of tax in an amount equivalent to the estimated tax liability of Mr. Neerav Kothari.

You are required to examine whether any advance tax is to be paid by Mr. Neerav Kothari at the time of obtaining registration?

(MTP M18 (N&O), MTP N18 (N&O)) (ANS.: YES ADVANCE TAX IS TO BE PAID TO OBTAIN REGISTRATION)

PROBLEM NO.4: Explain the registration requirements under GST law in the follow independent cases:

- i) Mr. Ahmad of Jammu engaged in the business of supplying tobacco based Pan Masala with an aggregate turnover of Rs. 24 lakhs.
- ii) Lepcha of Mizoram is engaged in the supply of papers with an aggregate turnover of 13 lakhs.

Will your answer be different if Mr. Lepcha is located in Meghalaya?

(N19 (N) - 5M) (ANS.: I) LIABLE TO REGISTER; II) NOT LIABLE TO REGISTER)

PROBLEM NO.5: Subramanian Enterprises has two registered places of business in Delhi. Its aggregate turnover for the preceding year for both the places of business was Rs. 120 lakh. It wishes to pay tax under composition levy for one of the place of business in the current year while under normal levy for other. You are required to advice Subramanian Enterprises whether he can do so?
(MTP N19 (O))

PROBLEM NO.6: Mr. Vicky Frankyn, an unregistered famous author, received Rs. 3 crore of consideration from Shiv Bhawan Publications (SBP) located in Indore for supply of services by way of temporary transfer of a copyright covered under section 13(1)(a) of the Copyright Act, 1957 relating to original literary works of his new book. He finished his work & made available the book to the publisher, but has yet not raised the invoice.

Mr. Vicky Frankyn is of the view that SBP is liable to pay tax under reverse charge on services provided by him. SBP does not concur with his view and is not ready to deposit the tax under any circumstances.

Examine whether the view of Mr. Vicky Frankyn is correct. Further, if the view of Mr. Vicky Frankyn is correct, what is the recourse available with Mr. Vicky Frankyn to comply with the requirements of GST law as SBP has completely refused to deposit the tax. (RTP M20 (N&O)) (ANS.: CORRECT, IN VIEW OF VICKY FRANKYN)

PROBLEM NO.7:

- a) Chanchal started providing beauty and grooming services and inaugurated "Care & Care Beauty Centre" in Janak Puri, Delhi on 01st April, 20XX. She opted to pay tax under Notification No. 2/2019 CT (R) dated 07.03.2019 in the said financial year.

The aggregate turnover of Care & Care Beauty Centre for the quarter ending 30th June, 20XX was Rs. 20 lakh. Further, for the half year ending 30th September, 20XX, the turnover reached Rs. 50 lakh. Care & Care Beauty Centre recorded a rapid growth and the turnover reached Rs. 70 lakh by the end of October, 20XX. Determine the total tax liability of Care & Care Beauty Centre by the end of October, 20XX.

- b) Care & Care Beauty Centre wishes to opt for composition scheme from the next financial year. You are required to advise it whether it can do so?

(RTP M20 (N&O)) (ANS.: A) TOTAL TAX PAYABLE: RS.5,40,000; B) NOT ELIGIBLE TO OPT FOR COMPOSITION SCHEME)

PROBLEM NO.8: Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 20XX:

Supply	Recipient	Nature of supply	Value (Rs.)
1	Mr. A, a registered person	Inter-State	2,20,000
2	Mr. B, a registered person	Inter-State	2,55,000
3	Mr. C, an unregistered person	Intra-State	1,80,000
4	Mr. D, an unregistered person	Intra-State	2,60,000
5	Mr. M, an unregistered person	Inter-State	3,00,000
6	Mr. N, an unregistered person	Inter-State	50,000
7	Mr. O, an unregistered person	Inter-State	2,50,000
8	Mr. P, an unregistered person	Inter-State	2,80,000
9	Mr. Q, a registered person	Intra-State	1,50,000
10	Mr. R, a registered person	Intra-State	4,10,000

The aggregate annual turnover of Mr. Gauri Shiva in the preceding financial year was Rs. 1.20 crore. With reference to rule 59 of the CGST Rules, 2017, discuss the manner in which the details of above supplies are required to be furnished in GSTR-1.

(RTP M20 (N&O))

[ANS: 1,25,8,9,10- INVOICE-WISE DETAILS;3,4,6,7- CONSOLIDATED DETAILS]

SECTION 6: TEST YOUR KNOWLEDGE

- 1) In order to be eligible for grant of registration, a person must have a Permanent Account Number issued under the Income- tax Act, 1961. State one exception to it. (NEW SM)
- 2) Mr. C of Calicut (Kerala) is trading on his own goods and also acting as an agent of Mr. B of Bengaluru. Mr. C turnover in the financial year 2019-20 is Rs.24 lakhs in his own account and Rs.18 lakhs on behalf of principal. Whether Mr. C is liable to register compulsorily under GST law?
- 3) Mr. Rajan is a farmer with an annual turnover in relation to agriculture of Rs.18,00,000 lakh. Since this income is agriculture-related, the turnover is exempt from GST. However, Mr. Rajan also supplies plastic bags worth of Rs.2,50,000 (taxable goods) along with his crop and charges separately for this. Mr. Rajan is required to register under GST? Advise.
- 4) What are the advantages of taking registration in GST? (NEW SM)
- 5) Can a person without GST registration collect GST and claim ITC? (NEW SM)

- 6) State the persons who are not liable for registration as per provisions of Section 23 of Central Goods and Service Tax Act, 2017. (MTP M19(N&O))
- 7) If a person is operating in different States, with the same PAN number, can he operate with a single registration? (NEW SM)
- 8) Can a person having multiple places of business in a State obtain separate registrations for each place of business? (NEW SM)
- 9) Is there a provision for a person to get himself voluntarily registered though he may not be liable to pay GST? (NEW SM)
- 10) Can the Department, through the proper officer, Suo-moto proceed to register of a person? (NEW SM, MTP M18(N&O))
- 11) Whether the registration granted to any person is permanent? (NEW SM)
- 12) Is it necessary for the UN bodies to get registration under GST? (NEW SM)
- 13) What is the responsibility of the taxable person making supplies to UN bodies? (NEW SM)
- 14) What is the validity period of the registration certificate issued to a casual taxable person and non-resident taxable person? (NEW SM, MTP M18(N&O))
- 15) What happens when the registration is obtained by means of willful misstatement, fraud or suppression of facts? (NEW SM)
- 16) Is there an option to take centralized registration for services under GST Law? (NEW SM)
- 17) What could be the liabilities (in so far as registration is concerned) on transfer of a business? (NEW SM, MTP N19 (N&O))
- 18) At the time of registration, will the assessee have to declare all his places of business? (NEW SM)
- 19) What will be the time limit for the decision on the online registration application? (NEW SM)
- 20) What will be the time of response by the applicant if any query is raised in the online application? (NEW SM)
- 21) Does cancellation of registration impose any tax obligations on the person whose registration is so cancelled? (NEW SM, MTP N18(N&O))
- 22) "When the change in constitution of business results in change in PAN, the business entity can apply for amendment of registration in prescribed manner within 15 days." Comment. (M18(O) - 2M)
- 23) Discuss the circumstances where registration is liable to be cancelled. (RTP N18(N&O))
- 24) Answer the following questions with respect to casual taxable person under the CGST Act, 2017:
- Who is a casual taxable person?
 - Can a casual taxable person opt for the composition scheme?
 - When is the casual taxable person liable to get registered?
 - What is the validity period of the registration certificate issued to a casual taxable person?
 - Can the validity of registration certificate issued to a casual taxable person be extended? If yes, what will be the period of extension? (M19(N) - 5M)
- 25) Examine whether the supplier is liable to get registered in the following independent cases: -
- Happy Ltd. of Himachal Pradesh is exclusively engaged in intra-State supply of pan masala. It's aggregate turnover in the current financial year is ₹ 24 lakh.
 - Akki Ltd. of Assam is exclusively engaged in intra-State supply of taxable services. It's aggregate turnover in the current financial year is ₹ 25 lakh.
 - Aaru Ltd. of Assam is engaged in intra-State supply of both taxable goods and services. It's aggregate turnover in the current financial year is ₹ 30 lakh. (MTP NOV(N) 20)

SECTION 7: THINGS TO REMEMBER**SECTION NUMBERS**

S. No	CONCEPT	Sec. No.
1.	Persons liable for registration	22 (or) 24
2.	Persons liable for compulsory registration	24
3.	Persons registered as E-commerce Operator	52

THE END

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