

GST REGISTRATION

Registration under GST is mandatory once a taxable person crosses the minimum threshold turnover or starts a new business that is expected to cross the prescribed turnover. Entities without GST registration would not be allowed to collect GST from a customer or claim an input tax credit of GST paid and/or could be penalised.

- GST registration should be obtained within 30 days.
- The registration in GST is PAN based and State specific. Supplier has to register in each of such State or Union territory from where he effects supply.
- Businesses has an option to obtain a separate registration for each of the 'business vertical' in the same State.
- Turnover is calculated based on the PAN basis not on state specific.
- Every registered person is required to display his certificate of registration in a prominent location at his principal place of business and at every additional place of business.

Turnover limits for GST registration are as under -

A. Supply of Goods: Any person or entity who is engaged in the exclusive supply of goods whose aggregate turnover crosses Rs. 40 lakhs in a year is required to obtain GST registration. To be eligible for the Rs.40 lakhs turnover limit, the supplier must satisfy the following conditions:

- Should not be providing any services.
- The supplier should not be engaged in making intra-state (supplying goods within the same state) supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripur and Uttarakhand.
- Should not be involved in the supply of ice cream, pan masala or tobacco.

If the above conditions are not met, the supplier of goods would be required to obtain GST registration when the turnover crosses Rs.20 lakhs and Rs.10 lakhs in special category states.

B. Supply of services or mixed supplies: Any person or entity who provides service of more than Rs.20 lakhs in aggregate turnover in a year is required to obtain GST registration. In special category states, the GST turnover limit for service providers has been fixed at Rs.10 lakhs.

Other than turnover criteria, a taxable person required to obtain GST registration, in following cases -

- A. Inter-state supply of goods or services: Supplier supplies outside the State, is required to take registration irrespective of the size of his turnover. However,
- Service providers providing inter-state services are exempted from registration if their annual turnover is below 20lakhs (10 lakhs for Special states. 20 lakhs for J&K).
 - Job workers (except in relation to jewelry, goldsmiths' and silversmiths' wares) making inter-state supply of services to a registered person are exempted from registration if their turnover is below 20lakhs (10 lakhs for Special states)
 - Handicraft supplier making inter-state supply of goods are exempted from registration if their turnover is below 20lakhs (10 lakhs for Special states). In such cases they will also not be required to obtain registration as a casual taxable person in other States for making supply of the handicraft goods.

- B. **Casual Taxable person:** If supplier occasionally make supply of goods/services as a principal or agent or any other capacity, in a taxable territory, where GST applies but where he don't have a fixed place of business, as per GST he will be treated as a casual taxable person.
- C. **Non Resident taxable person:** When supplier occasionally make supply of goods/services as a principal or agent or any other capacity, in a taxable territory, where GST applies but don't have a fixed place of business in India, as per GST he will be treated as a non-resident taxable person.
- D. Input Service Distributor.
- E. Liable to pay taxes under Reverse Charge Mechanism.
- F. Person who supplies via e-commerce aggregator (Service providers providing services on e-commerce platforms are exempted from registration if their annual turnover is below Rs. 20 lakhs (Rs. 10 lakhs for Special states. Rs. 20 lakhs for J&K).
- G. Every e-commerce operator or aggregator (e-commerce sellers/aggregators need not register if total sales is less than Rs. 20 lakh).
- H. Supplying goods on behalf of other persons (Agents of a supplier).
- I. Supply of online information and data base access or retrieval (OIDAR) services from outside India to a non-registered person in India. A simplified registration Scheme is provided for OIDAR service suppliers. Instead of State-wise registration, he will take single registration for entire India either himself or through his appointed agent in India, and will pay IGST. The registration to and other GST compliance by the OIDAR service providers is exclusively administered by the Principal Commissioner of Central Tax, Bengaluru West and all officers subordinate to him.
- J. Persons who are required to deduct tax under section 51, whether or not separately registered under this Act.
- K. Every person who is registered under an earlier law (i.e., Excise, VAT, Service Tax etc.) needs to register under GST.
- L. When a business which is registered has been transferred to someone/demerged, the transferee shall take registration with effect from the date of transfer.

Registration not required in following cases –

- A. Persons who are engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax.
- B. An agriculturist, to the extent of supply of produce out of cultivation of land.
- C. If all the supplies being made by a supplier are taxable under reverse charge i.e. where total tax is payable by the recipient of the goods and / or services.

Special Points –

- A. **GST registration should be obtained within 30 days.**
- B. Casual/ non-residents should apply at least five days before their commencement of business. Casual/non-resident taxable person may obtain a temporary registration for a period of 90 days (extendable for additional 90 days). He will be required to make advance deposit of GST (based on his estimated tax liability).
- C. The registration in GST is PAN based and State specific. Supplier has to register in each of such State or Union territory from where he effects supply.
- D. Businesses having turnover below the threshold limit can, voluntarily opt to register. Reasons for obtaining voluntary GST registration are:
- To improve the business credibility
 - To satisfy the requirements of B2B customers
 - To claim input tax credit benefits
- E. Businesses has an option to obtain a separate registration for each of the ‘business vertical’ in the same State.
- F. If a person has unit in SEZ or is a SEZ developer and also unit in domestic tariff Area (i.e. outside the SEZ) in the same State, then he has to take separate registration for his SEZ unit / as a SEZ developer as a separate place of business of him.
- G. If a supplier also wants to distribute credit to his same-PAN entities, then he will take separate registration as ‘input service distributor’ in addition to his registration as ‘supplier’.
- H. A ‘taxable person’ under GST, is a person who carries on any business at any place in India and who is registered or required to be registered under the GST Act. Any person who engages in economic activity including trade and commerce is treated as taxable person. ‘Person’ here includes individuals, HUF, company, firm, LLP, an AOP/ BOI, any corporation or Government company, body corporate incorporated under laws of foreign country, co-operative society, local authority, government, trust, artificial juridical person.
- I. Aggregate turnover is calculated based on the PAN. Hence, even if one person has multiple places of business, it must be summed to arrive at the aggregate turnover.

Aggregate turnover includes all types of sales like Taxable Sales (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), Exempt Sales, Export Sales, Inter State Sales, Sales by Agent of principal but excludes value of Non-Taxable Supplies, taxes and value of job-worked goods, if supplier is a job worker.

This implies that 100% export-oriented units should also be compulsorily registered under GST once the turnover exceeds threshold limit. In GST regime, exports are zero rated which means that the export good would not suffer any actual tax liability although the inputs for them would be tax paid which would be subsequently neutralized by way of refund.

- J. The first 2 digits of the GSTIN is the State code, next 10 digits are the PAN of the legal entity, the next two digits are for entity code, and the last digit is check sum number
- K. Every registered person is required to display his certificate of registration in a prominent location at his principal place of business and at every additional place of business. Every registered person is also required to display his GSTIN on the name board exhibited at the said places.

Need and Advantages of Registration -

Registration will confer the following advantages to a taxpayer:

- A. He is legally recognized as supplier of goods or services
- B. He is legally authorized to collect tax from his customers and pass on the credit of the taxes paid on the goods or services supplied to the purchasers/ recipients
- C. He can claim input tax credit of taxes paid on his purchases / procurements and can utilize the same for payment of taxes due on supply of goods or services
- D. Seamless flow of Input tax credit from suppliers to recipients at the national level.

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