



CHAPTER 7

REGISTRATION

**CHAPTER OVERVIEW**

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REGISTRATION [SECTIONS 22-30]

INTRODUCTION

Registration is the most fundamental requirement for identification of taxpayers ensuring tax compliance in the economy. Under indirect tax regime without registration, a person can neither collect tax from his customers nor claim any credit of tax paid by him.

Registration legally recognizes a person as supplier of goods or services 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

PERSONS LIABLE FOR REGISTRATION [SECTION 22(1)]

- (i) Every supplier of goods or services or both is required to obtain registration
- (ii) in the State or the Union territory from where he makes the **taxable supply**
- (iii) if his "**aggregate turnover**" exceeds **₹ 20 lakhs** in a FY.

The limit of ₹ 20 lakhs will be reduced to **₹ 10 lakhs** if the person is carrying out business in the Special Category States - **Mizoram, Tripura, Manipur and Nagaland [First proviso to Section 22(1)]**.

The Government may, at the request of a special category State and on the recommendations of the Council, **enhance the aggregate turnover from ₹ 10 lakhs to such amount not exceeding ₹ 20 lakhs**, subject to such conditions and limitations, as may be notified. **[Second proviso to Section 22(1)]**.

The Government may, at the request of a State and on the recommendations of the Council, **enhance the aggregate turnover from ₹ 20 lakhs to such amount not exceeding ₹ 40 lakhs** in case of supplier **who is engaged exclusively in the supply of goods**, subject to such conditions and limitations, as may be notified. **[Third proviso to Section 22(1) inserted vide Finance Act 2019]**

Explanation: 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 **[Explanation to Section 22(1) inserted vide Finance Act 2019]**



Registration NOT required for persons engaged in “exclusive supply of goods” whose aggregate turnover does not exceed “₹ 40 lakhs”

Any person who is engaged in “*exclusive supply of goods*” and whose aggregate turnover in the financial year **does not exceed ₹ 40 lakhs** are **exempt** from registration. Exceptions to this exemption are as follows:

- (a) persons required to take compulsory registration u/s 24 of the CGST Act.
- (b) persons engaged in making supplies of **ice-cream** and other edible ice, whether or not containing cocoa [2105 00 00], **Pan masala** [2106 90 20] and all goods of Chapter 24, i.e. **Tobacco and manufactured tobacco substitutes, fly ash bricks or fly ash aggregates , fly ash blocks, bricks of fossil meals or similar siliceous earths, building bricks, earthen or roofing tiles**
- (c) Persons engaged in making intra-State supplies in Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, **Puducherry**, Sikkim, **Telangana**, Tripura, Uttarakhand. Inter-State supplies of goods are nevertheless liable to compulsory registration and are thus covered in exception above.
- (d) Person who has opted for voluntary registration or such registered persons who intend to continue with their registration under the CGST Act.

Summary of Threshold Limits of registration

<i>Particulars</i>		Threshold limit for persons engaged		
		Exclusively in supply of goods (₹)	Supply of services/ both goods and services (₹)	
States other than Special Category States	Puducherry	20 lakhs	20 lakhs	
	Telangana	20 lakhs	20 lakhs	
	Others	40 lakhs	20 lakhs	
Special Category States as per Constitution	Special Category States u/s 22	Manipur	10 lakhs	
		Mizoram	10 lakhs	
		Nagaland	10 lakhs	
		Tripura	10 lakhs	
	Others	Jammu and Kashmir	40 lakhs	20 lakhs
		Assam	40 lakhs	20 lakhs
		Himachal Pradesh	40 lakhs	20 lakhs
		Arunachal Pradesh	20 lakhs	20 lakhs
		Meghalaya	20 lakhs	20 lakhs
		Sikkim	20 lakhs	20 lakhs
Uttarakhand	20 lakhs	20 lakhs		



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

Registration required only for a place of business from where taxable supply takes place

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.

Example: Uday Enterprises is engaged in supply of taxable goods in Maharashtra. It also supplies alcoholic liquor for human consumption from Nagaland. Its turnover in the current financial year is ₹ 34 lakhs in Maharashtra and ₹ 8 lakhs in Nagaland. Since Uday Enterprises is exclusively engaged in making taxable supplies of goods from Maharashtra, the applicable threshold limit for obtaining registration is ₹ 40 lakhs.

However, the threshold limit will not be reduced to ₹ 10 lakhs in this case, as supply of alcoholic liquor for human consumption from Nagaland (one of the Special Category States) are non-taxable supplies.

In the given case, since the aggregate turnover of Uday Enterprises exceeds the applicable threshold limit of ₹ 40 lakhs, 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 said State.

Examples:

Supplier	Engaged	Aggregate Turnover	Applicable Threshold limit	Whether liable to obtain registration?
Prithviraj of Assam	exclusively in supply of shoes	22 lakhs		
	Exclusively in supply of pan masala	22 lakhs		
	exclusively in supply of taxable services	22 lakhs		
	in supply of both taxable goods and services	22 lakhs		
Shivaji of Telangana	exclusively in supply of toys	22 lakhs		
	exclusively in supply of ice cream	22 lakhs		
	exclusively in supply of taxable services	22 lakhs		



	in supply of both taxable goods and services	22 lakhs		
Ashoka of Manipur	exclusively in supply of paper	12 lakhs		
	exclusively in supply of tobacco	12 lakhs		
	exclusively in supply of taxable services	12 lakhs		
	in supply of both taxable goods and services	12 lakhs		

HOW TO COMPUTE AGGREGATE TURNOVER

While computing the threshold limit of ₹ 20 lakhs, inclusions and exclusions from aggregate turnover are as follows:

INCLUSIONS	EXCLUSIONS
Value of outward supplies	CGST
Taxable Supplies	SGST
Exempt supplies	UTGST
Exports	IGST
Inter-state supplies	CESS
of persons having the same PAN be computed on all India basis	Value of inward supplies on which tax is payable under reverse charge

Points to be remembered

- 1) The turnover will be computed PAN wise
- 2) Outward Supplies taxable under reverse charge would continue to be part of the 'aggregate turnover' of the supplier of such supplies.
- 3) Aggregate turnover to include **total turnover of all branches** with same PAN

Example: A 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 ₹ 20 lakhs, X is liable for registration.

- 4) **If a person having place of business in different States across India has one branch in any of the Special Category States, the threshold limit for GST registration will be reduced to ₹ 10 lakhs.**

Example: Raghav of Assam is exclusively engaged in intra-State supply of readymade garments. Its turnover in the current FY from Assam showroom is ₹ 28 lakh. It has another showroom in Tripura with a turnover of ₹ 11 lakh in the current FY. Examine whether supplier is liable to get registered?

Solution: Raghav is eligible for higher threshold limit of turnover for registration, i.e. ₹ 40 lakhs as he is exclusively engaged in intra-State supply of goods. However, since Raghav is engaged in supplying



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readymade garments from a Special Category State i.e. Tripura, the threshold limit gets reduced to ₹ 10 lakh. Thus, Raghav is liable to get registered under GST as his turnover exceeds ₹ 10 lakh. Further, he is required to obtain registration in both Assam and Tripura as he is making taxable supplies from both the States.

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

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 ₹ 20 lakhs, Rohan Oils is liable for registration.

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

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.

- 7) Supply of goods after completion of jobwork, by a **registered jobworker** shall be treated as the supply of goods by the principal referred to in Section 143 of the CGST Act, 2017, **and the value of such goods shall not be included in the aggregate turnover of the registered jobworker.** It will be included in the turnover of turnover of principal.

Difference between Aggregate 'Aggregate turnover' and 'Turnover in a State'

The aggregate turnover is different from turnover in a State. The former is used for determining the threshold limit for registration as well as eligibility for composition scheme. However, the composition levy would be calculated on the basis of 'turnover in the State'.

Illustration 1

Mr. J has been involved in supplying taxable material in J&K, since, 1st July 2017. His turnover in the month of Nov 2017 exceeded the limit of ₹ 20 lacs. Mr. J is required to register under GST law?

Illustration 2

Mr. C of Calicut is trading on his own goods and also acting as an agent of Mr. B of Bengaluru. Mr. C turnover in the financial year 2017-18 is ₹ 12 lacs in his own account and ₹ 9 lacs on behalf of principal. Whether Mr. C is liable to register compulsorily under GST law.



REGISTRATION IN SPECIAL CASES

1. Migration from earlier law into new law

Every person who, on the day immediately preceding, the appointed day, is registered or holds a licence under an **existing law** shall be **liable to be registered** under this Act with effect **from the appointed day**. Once a taxpayer had the Application Reference Number, he would have **migrated** to GST on the appointed day with issue of provisional certificate and would have received a **provisional GSTIN**. Final registration certificate and GSTIN would be granted within **6 months** of the appointed day. **[Section 22(2)]**

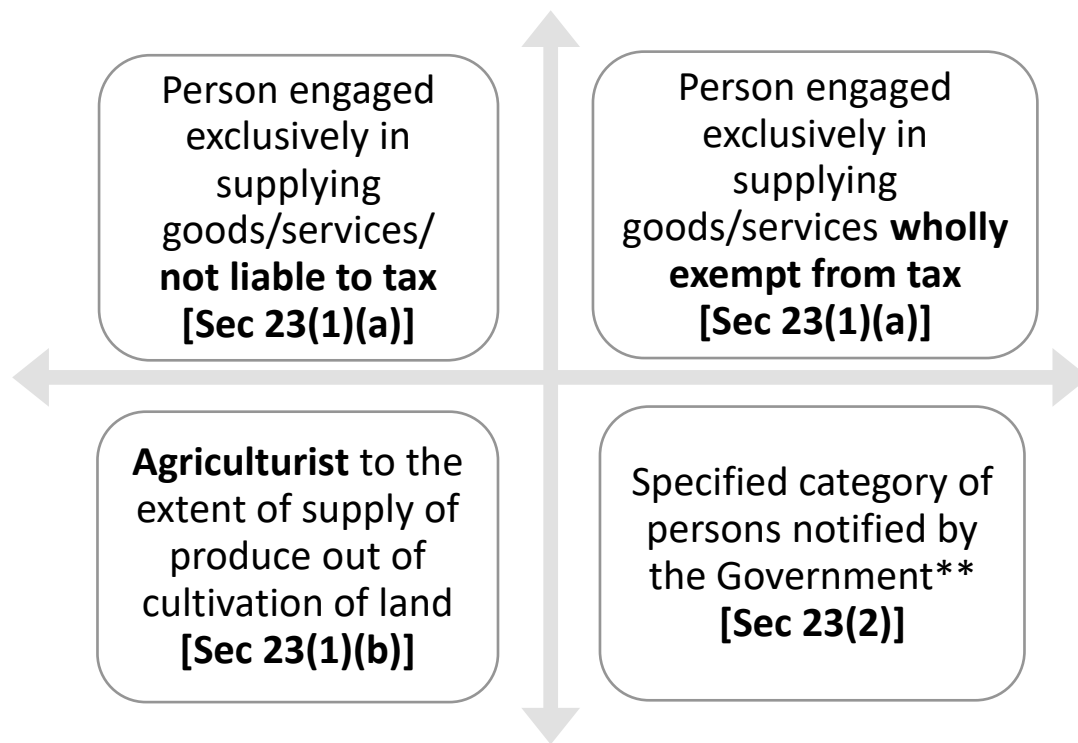
2. Registration under GST in case of transfer of going concern [Section 22(3)]

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 shall be liable to be registered w.e.f. the date of such transfer or succession.**

It is clarified that transfer or change in the ownership of business under said section will include transfer/change in the ownership of business due to death of the sole proprietor. [Circular No. 96/15/2019 GST dated 28.03.2019]

3. Registration under GST in case of amalgamation or demerger [Section 22(4)]

The transferee should be liable to be registered, w.e.f the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal in case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or demerger of two or more companies pursuant to an order of High Court, Tribunal.

**PERSONS NOT LIABLE FOR REGISTRATION [SECTION 23]****Exemption from Registration to an Agriculturist [Section 23]**

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.

Example: Deshbandhu is an agriculturist engaged in cultivation of wheat in his field in the State of Punjab. He was exclusively engaged in 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 decides to start trading in rice apart from supplying his wheat produce. His turnover in the current year is ₹ 32 lakhs from supply of wheat produced and ₹ 9 lakhs from trading of rice. Since he is engaged in trading of rice also, he is not covered u/s 23 above. The threshold limit for registration applicable to a person exclusively engaged in supply of goods in the State of Punjab is ₹ 40 lakhs. 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.

Specified category of persons notified by the Government [Section 23(2) amended vide Finance Act 2023]

Notwithstanding anything to the contrary contained in sub-section (1) of section 22 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.

****Specified category of persons notified by Government exempted from obtaining registration**

1. Persons engaged **only** in making taxable supplies of goods or services, **tax on which is payable under reverse charge basis** by recipient **u/s 9(3)** are exempted from obtaining registration. **[Notification No. 5/2017 CT dated 19.06.2017]**

Example: Manikaran Transporters is a Goods Transport Agency (GTA) engaged exclusively in supplying GTA services liable to tax under reverse charge [since tax is payable on GTA services @ 5% in the given case]. 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.

Further, Manikaran Transporters supplies said service to Diwakar Manufacturing Pvt. Ltd. whose aggregate turnover does not exceed the applicable threshold limit. Since Diwakar Manufacturing Pvt. Ltd. has to pay tax on GTA services [@ 5%] under reverse charge, it is required to obtain registration mandatorily irrespective of its aggregate turnover.

2. Persons making **inter-State** supplies of **taxable services** and having an aggregate turnover, to be computed on all India basis, not exceeding ₹ 20 lakhs/ 10 lakhs in a financial year have been **exempted** from obtaining compulsory registration. **[Notification No. 10/2017 IT dated 13.10.2017]**
3. Persons supplying **services through e-commerce operator** (other than supplies specified under section 9(5) of the CGST Act) who is required to collect tax at source and having aggregate turnover, to be computed on all India basis, not exceeding ₹ 20 lakhs/ 10 lakhs in a financial year **exempted** from obtaining registration **[Notification No. 65/2017 CT dated 15.11.2017]**
4. Job workers engaged in making **inter-State supply of services** to a **registered person** have been exempted from obtaining registration However, it is not applicable to a job-worker –
 - a) who is liable to be registered u/s 22(1) or who opts to take registration voluntarily u/s 25(3) of the CGST Act; or
 - b) who is involved in making supply of services in relation to jewellery, goldsmiths' and silversmiths' wares and other articles. **[Notification No. 7/2017 IT dated 14.09.2017]**
5. Persons making **inter-State** taxable supplies of **handicraft goods** and **casual taxable person** making taxable supplies of **handicraft goods** exempted from obtaining compulsory registration subject to fulfillment of specified conditions
 - (i) aggregate value of "such supplies", to be computed on all India basis, does not exceed an amount of ₹ 20 lakhs [₹ 10 lakhs in case of Special Category States, other than State of Jammu and Kashmir] in a financial year.
 - (ii) persons making **inter-State** taxable supplies of handicraft goods /casual taxable persons making taxable supplies of handicraft obtain a PAN and generate an e-way bill.



Handicraft goods means products made by the craftsmen predominantly by hand even though some machinery may also be used in the process. [**Notification No. 8/2017 IT dated 14.09.2017, Notification No. 32/2017 CT dated 15.09.2017**]

All service providers, whether supplying intra-State, inter-State or through e-commerce operator, will be exempt from obtaining registration, provided their aggregate turnover does not exceed ₹ 20 lakhs

COMPULSORY REGISTRATION IN CERTAIN CASES [SECTION 24]

Following category of persons are mandatorily required to obtain the registration under GST **irrespective of their turnover:**

Persons making inter-state taxable supply	Casual taxable persons who does not have fixed POB in state from where he wants to make supply	Person receiving supplies in which tax is payable by recipient on reverse charge basis	E-commerce operators who are notified as liable for CGST payment u/s 9(5)
Non-resident taxable person who do not have fixed POB in India	Persons required to deduct tax u/s 51 (TDS) & E-comm required to collect TCS u/s 52	Person who supplies on behalf of some other taxable persons (i.e. agent of principal)	Suppliers other than notified u/s 9(5) who supply through e-commerce operator
Every person supplying online money gaming from a place outside India to a person in India	Person supplying online information and database access or retrieval services from place outside India to unregistered person in India	Input Service Distributor whether or not separately registered under this Act	Notified persons by Central /State Government

IMPORTANT NOTES

1. Inter State supply of services **exempted** from registration

Service providers whose annual aggregate turnover is less than ₹ 20 lacs (₹ 10 lacs in special category states. ₹ 20 lacs for J & K) from obtaining registration even if they are making inter-State taxable supplies of services (**vide Notification No. 10/2017 – Integrated Tax dtd. 13th Oct 2017**).

Example: Dhola & Co., located in Delhi, is engaged in supply of taxable goods in the neighbouring States of Punjab and Haryana. Its aggregate turnover in current FY is ₹ 10 lakhs. 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 lakhs



2. Clearing and forwarding (C&F) Agent receives the goods on behalf of the principal. Subsequently he supplies goods to the customer as an agent of the principal. He maintains the stock and report to the principal. If so such an agent shall be liable to obtain the registration compulsorily irrespective of the aggregate turnover of such agent.
3. Input Service Distributor (ISD) means
 - (a) an office of the supplier of goods or services or both
 - (b) which receives **tax invoices** issued under section 31 of the CGST Act, 2017 towards receipt of **input services** and
 - (c) issues a prescribed document for the purposes of distributing the credit of CGST, SGST/ UTGST or IGST paid on the said services to a supplier of taxable goods or services or **both having same PAN as that of the ISD.**

ISD is meant only for distributing the credit on common invoices pertaining to **input services only** and **not goods** (i.e. inputs or capital goods). ISD has to compulsorily take a **separate registration** as such ISD and apply for the same in form **GST REG-1**. Different offices like marketing division, security division etc. may apply for separate ISD registration.

4. A person already registered under GST is required to deduct tax u/s 51 he is required to take **separate registration** for the purpose of deducting tax u/s 51.
5. Where e-commerce operators are liable to pay tax on behalf of suppliers u/s 9(5) of the CGST Act, 2017, ***the suppliers of such services are entitled for threshold exemption.***
6. **“Online information and database access or retrieval services”** means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders ~~their supply essentially automated and involving minimal human intervention and~~ impossible to ensure in the absence of information technology and includes electronic services such as:-
 - (i) advertising on the internet;
 - (ii) providing cloud services;
 - (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
 - (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
 - (v) online supplies of digital content (movies, television shows, music and the like);
 - (vi) digital data storage; and
 - (vii) online gaming;



Waive the requirement of mandatory registration u/s 24(ix) of CGST Act for unregistered persons supplying goods through an ECO, subject to certain conditions [N/N 34/2023 CT dated 31/07/2023]

The persons making supplies of goods through an ECO who is required to collect TCS u/s 52 and having an aggregate turnover in the preceding financial year and in the current financial year not exceeding the threshold limit u/s 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;
- (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.



PROCEDURE FOR REGISTRATION [SECTION 25]

WHERE AND BY WHEN TO APPLY FOR REGISTRATION

Particulars	Where	When
Person who is liable to be registered under section 22 or section 24; or Every 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
Casual taxable person or non-resident taxable person		at least 5 days prior to the commencement of business

Example: Sugam Services Ltd. is engaged in taxable supply of services in Madhya Pradesh. The turnover of Sugam Services Ltd. exceeded ₹ 20 lakhs on 1st November. It is liable to get registered by 1st December in the State of Madhya Pradesh.

STEPS TO FILE APPLICATION AND OBTAIN REGISTRATION

A. Before applying for registration applicant shall declare his Legal name of business, PAN, State or Union territory in **Part A of Form GST REG -01** on Common Portal. The PAN shall be validated online by the common portal from the database maintained by the CBDT and shall also be verified through separate one-time passwords sent to the mobile number and e-mail address linked to the PAN. **[Rule 8(1)]**

NRTP, TDS deductors, TCS Collectors and a person supplying OIDAR services from a place outside India to a NTOR is not required to declare PAN & State.

Additionally, person supplying **online money gaming** from a place outside India to a person in India is not required to declare their PAN and State/Union territory for applying for registration. Instead, the simplified registration scheme earlier prescribed for a person supplying OIDAR services from a place outside India has also been made applicable to such persons.

B. Applicant shall submit **Part B of Form GST REG-01**, along with documents specified in the said Form at the Common Portal.

C. The applicant shall receive an acknowledgement of application in **Form GST REG – 02**:

D. If these documents are found to be in order and he has successfully undergone authentication of Aadhaar number or exempt from authentication of Aadhaar, the Proper Officer shall approve the registration within **7 working days** from the date of submission. **[Else it would be deemed to be approved]**



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- E. If proper fails to take any action in a case where a person fails to undergo authentication of Aadhaar or does not opt for the same, the Proper Officer shall approve the registration within **30 days** from the date of submission of application. **[Else it would be deemed to be approved]**
- F. Where the application is found to be deficient for any reasons, then Proper Officer may require any further information, he shall intimate to the applicant in **Form GST REG -03** within **7 working days** from the date of submission of application.
- G. Further, the time limit for issuance of said notice to a person who fails to undergo Aadhaar authentication/does not opt for Aadhaar authentication has been **increased to 30 days** from the application submission date.
- H. The applicant shall submit the reply with clarification in **Form GST REG – 04** within **7 working days** from the date of receipt of such information.
- I. The Proper Officer may approve the grant of registration to the applicant within **7 working days** on receipt of such clarification, if he is satisfied.
- J. If no reply is furnished by applicant in response to notice issued or Proper Officer is not satisfied with the clarification, he shall reject such application with reasons in writing and inform the applicant in **Form GST REG-05**.
- K. Where no action is taken in **7 working days** on the clarification received from the applicant, the registration is **deemed to have been granted**.
- L. Certificate of registration shall be granted in **Form GST REG-06**.

Certification of registration contains **Goods and Service Tax Identification Number (GSTIN)**:

- Two characters for the **State code**
- Ten characters for the **PAN**
- Two characters for the **entity code**; and
- One **checksum character**

Every registered person shall display his registration certificate in a prominent location at his PPOB and at every APoB and GSTIN on name board

Summary:

- a) In case of successful authentication of Aadhaar, registration will be deemed approved within **7 working days**.
- b) If Aadhaar authentication is not opted for or if authentication fails in validation and no SCN is issued within **30 days** by tax official, registration will be deemed approved.
- c) Tax Officer can issue show cause notice within the period specified for grant of registration, like in cases of successful Aadhaar authentication i.e. 7 working days, or in cases when taxpayer do not opt to provide Aadhaar or when Aadhaar authentication fails i.e. 30 days. Applicants can submit their reply within 7 working days from issue of SCN.



STATE WISE REGISTRATION

(A) One registration per State

Registration needs to be taken State-wise, i.e. there are no centralized registrations under GST. A business entity having its branches in multiple States will have to take separate State-wise registration for the branches in different States.

Further, within a State, an entity with different branches would have single registration wherein it can declare one place as principal place of business (PPoB) and other branches as additional place of business (APoB).

(B) Separate registration for a person having multiple place of business in a State

A person seeking registration is granted a single registration in a State/UT. A person having multiple places of business in a State / UT may be granted a separate registration for each such place of business, subject to conditions prescribed u/r 11.

Example: Meethalal & Sons - a supplier in Delhi has three branches – two engaged in supply of garments and one engaged in supply of shoes. While as per the erstwhile provisions, Meethalal & Sons could obtain only registrations – one for business vertical of garments and another for business vertical of shoes, now it can obtain separate GST registration for each three branches.

The conditions prescribed u/r 11 are as follows:

- a) such person has more than one place of business
- b) 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.

Where any place of business of a registered person that has been granted a separate registration becomes ineligible to pay tax under composition scheme, all other registered places of business of the said person shall become ineligible to pay tax under said scheme.

- c) 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 or a bill of supply for such supply.
- d) A registered person opting to obtain separate registration for a place of business shall submit a separate application in prescribed form in respect of such place of business.

(C) Registration under composition levy

If one of the business verticals of a taxable person is paying tax under normal levy [Section 9], no other business vertical shall be granted registration to pay tax under composition levy [Section 10].

If one of the business vertical [separately registered] becomes ineligible to pay tax under composition levy, all other business verticals would also become so ineligible.



✚ 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 voluntarily registered person.

Voluntary registration is advantageous for the persons which supply of goods or services or both to registered persons. The reason for the same is that by virtue of Section 9(4) of the CGST Act, in case of supplies received from unregistered supplier by registered recipient, recipient has to pay the tax under reverse charge. Therefore, business units would prefer receiving supplies from the registered persons only. Thus, voluntary registration enables a supplier of goods or services or both to enhance its B2B [Business to Business] transactions.

Once a person obtains voluntary registration, he has to pay tax even though his aggregate turnover does not exceed ₹ 20 lakhs/ ₹ 10 lakhs.

✚ 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**

Example: Mohan, a Chartered Accountant, has a registered head office in Delhi. He has also obtained registration in the State of West Bengal in respect of his newly opened branch office. Mohan shall be treated as distinct persons in respect of registrations in West Bengal and Delhi.

Other Points to remember

1. 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.
2. 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 cesses.
3. A person required to deduct tax u/s 51 may have in lieu of PAN, a Tax Deduction and Collection Account Number (TAN) issued in order to be eligible for grant of registration.



Furnish proof of Aadhaar [Section 25(6A) to 25(6D) inserted vide Finance Act 2019]

Furnish Aadhaar for registered person [Section 25(6A)]

- 1) Every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in prescribed form, manner and time.
- 2) 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.
- 3) 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.

Furnish Aadhaar for Individual [Section 25(6B)]

- 1) **Every individual** (w.e.f. 1st April 2020) 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.
- 2) If an Aadhaar number is not assigned to an individual, such individual shall be offered alternate and viable means of identification in manner u/r 9 as the Government may, on the recommendations of the Council, specify.

Furnish Aadhaar for Persons other than Individual [Section 25(6C)]

- 1) 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 prescribed manner.

Following persons shall undergo authentication of possession of Aadhaar number as per **Rule 8**

- a) Authorized signatory of all types;
 - b) Managing and Authorized partners of a partnership firm; and
 - c) Karta of a Hindu undivided family,
- 2) 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 manner u/r 9 as the Government may, on the recommendations of the Council, specify.



Persons exempted from Aadhaar authentication [Section 25(6D)]

Section 25(6D) of the CGST Act stipulates that provisions relating to Aadhaar authentication shall not apply to such person or class of persons or any State or Union territory or part thereof, as may be notified. It is hereby notified that Section 25(6B) & 25(6C) of the CGST Act, 2017 shall **not apply** to a person who is:

- (a) not a citizen of India; or
- (b) a Department or establishment of the Central Government or State Government; or
- (c) a local authority; or
- (d) a statutory body; or
- (e) a Public Sector Undertaking; or
- (f) a person applying for registration u/s 25(9) of the CGST Act, 2017 [Applicants for Unique Identity Number by UNO agencies, consulates or embassy of foreign countries or other notified persons etc.]

Authentication of Aadhaar Number at the time of registration [Rule 8(4A) & Rule 8(4B) amended vide N/N 04/2023 CT dated 31/03/2023]

Rule 8(4A) substituted vide N/N 04/2023 dated 31ST March 2023

Where an applicant, other than a person notified u/s 25(6D), opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), undergo authentication of Aadhaar number and

the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or 15 days from the submission of the application in Part B of FORM GST REG-01 under sub-rule (4), whichever is earlier.

Provided that every application made under sub-rule (4) by a person, other than a person notified u/s 25(6D), 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** of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified u/s 25(6C) where the applicant is not an individual,
- **along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01** at one of the Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and

the application shall be deemed to be complete only after completion of the process laid down under this proviso.

Rule 8(4B): The Central Government may, on the recommendations of the Council, by notification specify the States or Union territories wherein the proviso to sub-rule (4A) shall not apply

The Central Government, on the recommendations of the Council, hereby specifies that proviso to Rule 8(4A) shall not apply in all the States and Union territories except the **States of Andhra Pradesh, Gujarat and Puducherry**

**Verification of application and approval of registration [Proviso to Rule 9(1)]**

- (a) a person other than a person notified under section 25(6D) fails to undergo authentication of Aadhaar number as specified in rule 8(4A) or does not opt for authentication of Aadhaar number; or
- (aa) a person, who has undergone authentication of Aadhaar number as specified in rule 8(4A), is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or**
- (b) the proper officer, with the approval of an officer authorized 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, after physical verification of the place of business ~~in the presence of the said person~~, in the manner provided under rule 25 and verification of such documents as the proper officer may deem fit.

Where application of registration is found to be deficient, either in terms of any information or document or where proper officer requires any clarification with regard to any information provided in the application, he may issue a notice in **Form REG-03** within 7 working days from date of submission of application. However, in following cases

- (a) a person other than a person notified under section 25(6D) fails to undergo authentication of Aadhaar number as specified in rule 8(4A) or does not opt for authentication of Aadhaar number; or
- (aa) a person, who has undergone authentication of Aadhaar number as specified in rule 8(4A), is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or**
- (b) the proper officer, with the approval of an officer authorized by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business,

the notice in GST REG-03 may be issued not later than **30 days from the date of submission of the application.**

Deemed approval of registration in following cases

In following cases, application for grant of registration shall be deemed to be approved if proper officer fails to take action in any of the following cases:

Relevant Case	Time Limit for deemed approval
Registration is to be granted after physical verification of the premises of a person (i) who fails to undergo the Aadhaar authentication/does not opt for Aadhaar authentication or (ii) wherein proper officer deems it fit to carry out physical verification of places of business	30 days from the date of submission of the application



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the person other than those covered above	7 working days from the date of submission of the application
proper officer issues notice seeking clarification, information or documents from the applicant	7 working days from the date of the receipt of the clarification, information or documents furnished by the applicant

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

- (i) **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, shall be uploaded in **FORM GST REG-30** on the common portal **within a period of 15 working days following the date of such verification**.
- (ii) **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): 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 **FORM GST REG-30** on the common portal **at least 5 working days prior to the completion of the time period specified** in the said proviso.

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

Any specialized agency of the United Nations Organization 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.

Such person shall file an application in a different prescribed form. UIN shall be assigned by the proper officer upon submission of application in said form or after filling up the said form or **after receiving a recommendation from the Ministry of External Affairs, Government of India** and registration certificate shall be issued **within 3 working days** from the date of submission of application.

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 Tribunal.



Application for registration by Special Economic Zone (SEZ) unit or developer [Second proviso to Section 25(1)]

A person having a unit in SEZ or being a SEZ developer shall have to apply for a separate registration, as distinct from his place of business located outside the SEZ in the same State or UT.

Note: SEZ is a geographically bound zone where the economic laws relating to export and import are more liberal as compared to other parts of the country. SEZ is considered to be a place outside India for all tax purposes

Example: 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, it will make a separate application for registration as a business vertical distinct from unit located outside SEZ.

Effective date of registration [Rule 10]

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

Example: Sugam Services Ltd. is engaged in taxable supply of services in Madhya Pradesh. The turnover of Sugam Services Ltd. exceeded ₹ 20 lakhs 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.

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.



Special Registration Provisions for NRTP & CTP [Sections 25 & 27 read with Rules 13 & 15]

Who are CTP and NRTP?

Casual Taxable Person (CTP): means 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)].

Non-Resident Taxable Person (NRTP): means 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)].

Differences between CTP and NRTP:

- (i) 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.
- (ii) A CTP has to undertake transactions in the course or furtherance of business whereas the business test is absent in the definition of NRTP.

Similarities between CTP and NRTP:

- (A)** Both CRTP 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, as mentioned below:
 - (i) Self-attested copy of his **valid passport** along with application signed by his authorized signatory who is an Indian Resident having valid PAN
 - (ii) 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.

Application will be submitted by NRTP in a different prescribed form **Form GST REG 09** 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.



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 in **Form GST REG – 11** before the end of the validity of registration granted to him] **whichever is earlier**

CTP & NTP make taxable supplies only after the issuance of the certificate of registration

Advance deposit of tax

At the time of submitting the registration application, CTP/NRTP are required to 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.

Such person will get a 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.

*Note: Where **extension of time** is sought, such registered taxable person 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.*

Special provisions for grant of registration in case of persons required to deduct tax at source u/s 51 or to collect tax at source u/s 52 [Rule 12]

Application for registration has to be submitted and would be granted registration within **3 working days** from the date of submission of application after due verification.

Registration will be cancelled if proper officer is satisfied that such person is no longer liable to deduct tax at source or collect tax at source.

Note: Registration to be separately applied for by person supplying **online information and data base access or retrieval services** (OIDAR services) from a place outside India to a non-taxable online recipient [Rule 14].



AMENDMENT OF REGISTRATION [SECTION 28]

Change in the particulars furnished in registration application/UIN application	Registered person shall submit an application in within 15 days of such change, along with documents relating to such change at the Common Portal.
Amendment in <u>core fields of information</u>	Proper officer may, on the basis of information furnished or as ascertained by him, approve or reject amendments in the registration particulars. Such amendment shall take effect from the date of occurrence of event warranting such amendment.
Change relates to <u>non-core fields of information</u>	Registration certificate shall stand amended upon submission of the application for amendment on the Common Portal
Change in the constitution of any business results in change of PAN of a registered person	Person shall apply for fresh registration . The reason for the same is that GSTIN is PAN based. Any change in PAN would warrant a new registration.

What are Core Fields of Information?

- (i) Legal name of business
- (ii) Address of Principal place of business and additional place of business
- (iii) 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

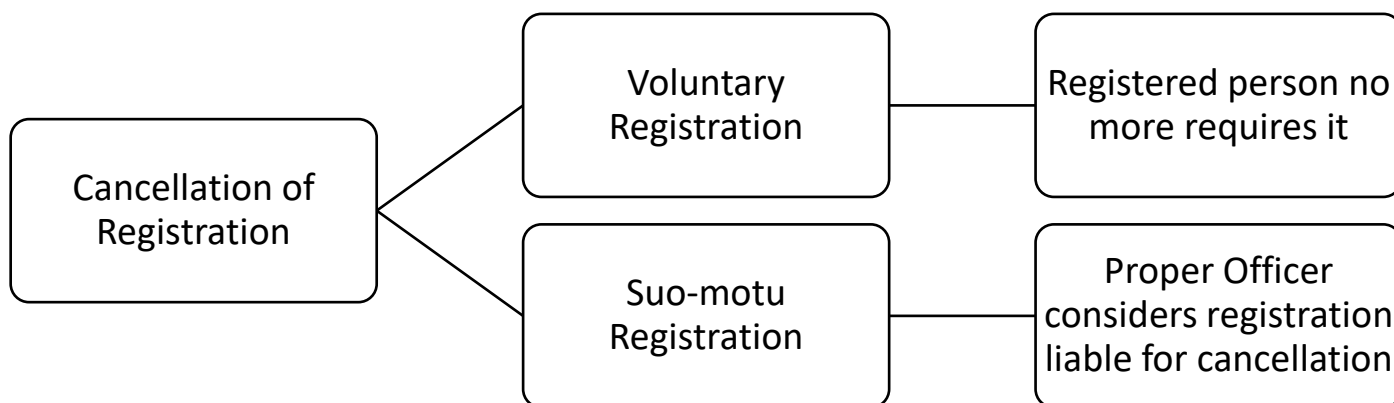
*Note: Mobile no./e-mail address of authorized signatory can be amended **only after online verification through GST Portal.***

What if proper officer fails to take any action on amendment?

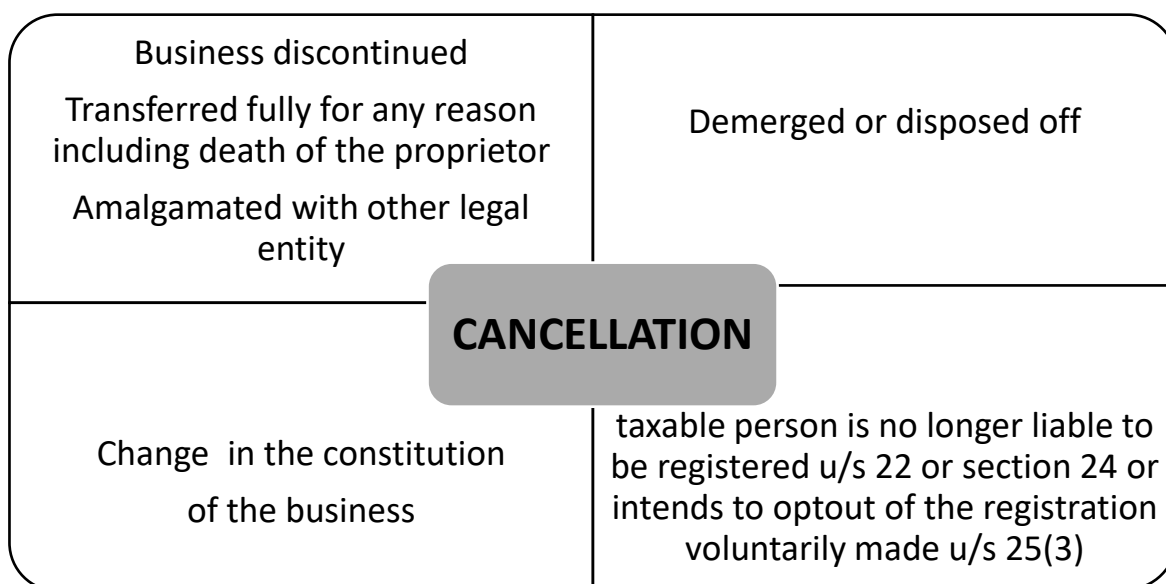
If the proper officer fails to take any action,-

- (a) within **15 working days** from the date of submission of the application, or
- (b) within **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.

**CANCELLATION OR SUSPENSION OF REGISTRATION [SECTION 29]**

- 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) [SECTION 29(1)]





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B. Circumstances when the proper officer can cancel registration on his own [SECTION 29(2)]

In the following cases, registration can be cancelled by the proper officer from such date, including any retrospective date, as he may deem fit:

- (a) Following contraventions done by the registered person:
 - (i) He does not conduct any business from the declared place of business, or
 - (ii) He issues invoice/bill without supply of goods/services in violation of the provisions of this Act, or the rules made thereunder.
 - (iii) If he violates the provisions of section 171 of the CGST Act [Anti-profiteering measure]
 - (iv) Violates provisions of Rule 10A [non-furnishing of bank account details]
 - (v) avails input tax credit in violation of the provisions of section 16 of the Act or the rules made thereunder; or
 - (vi) furnishes the details of outward supplies in FORM GSTR-1 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; or
 - (vii) violates the provision of rule 86B
 - (viii) **being a registered person required to file return u/s 39(1) for each month or part thereof, has not furnished returns for a continuous period of 6 months;**
 - (ix) **being a registered person required to file return under proviso to Section 39(1) for each quarter or part thereof, has not furnished returns for a continuous period of 2 tax periods.**
- (b) a person paying tax under section 10 has not furnished returns for a financial year beyond 3 months from the due date of furnishing the said return; or
- (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; or
- (d) Voluntary registered persons have not commenced business within **6 months** from date of registration
- (e) Registration was obtained by way of fraud, willful misstatement or suppression of facts.

Other Important points to be remembered:

1. A person to whom a UIN has been granted under rule 17 cannot apply for cancellation of registration.
2. 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. **[SECTION 29(3)]**
3. 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)]**

**Furnishing of Bank Account Details [Rule 10A]**

After a certificate of registration in **FORM GST REG-06** has been made available on the common portal and a GSTIN has been assigned, **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 Form GSTR-1 or using IFF (Invoice Furnishing Facility), whichever is earlier**, a registered person has option to furnish information on details of bank account **which is in name of the registered person and obtained on Permanent Account Number of the registered person**, in order to comply with any other provision

“Provided that in case of a proprietorship concern, the Permanent Account Number of the proprietor shall also be linked with the Aadhaar number of the proprietor.”

Aadhaar authentication for registered person [Rule 10B]

The registered person, other than a person notified under sub-section (6D) of section 25, who has been issued a certificate of registration under rule 10 shall, undergo authentication of the Aadhaar number of the proprietor, in the case of proprietorship firm, or of any partner, in the case of a partnership firm, or of the karta, in the case of a Hindu undivided family, or of the Managing Director or any whole time Director, in the case of a company, or of any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or of the Trustee in the Board of Trustees, in the case of a Trust and of the authorized signatory, in order to be eligible for the purposes as specified below:

- (a) For filing of application for revocation of cancellation of registration in FORM GST REG-21 under Rule 23
- (b) For filing of refund application in FORM RFD-01 under rule 89
- (c) For refund under rule 96 of the integrated tax paid on goods exported out of India

Provided that 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) her/his 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 under the Motor Vehicles Act, 1988

Provided further that such person shall undergo the authentication of Aadhaar number within a period of **30 days** of the allotment of the Aadhaar number. **[Notification No. 35/2021 – CT dated 24/09/2021]**



PROCEDURE FOR CANCELLATION OF REGISTRATION

- A.** Electronically submit application for cancellation of registration in **Form GST REG 16** within 30 days of occurrence of the event warranting cancellation;
- B.** Furnish in application (i) 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, (ii) liability thereon, (iii) details of the payment, if any, made against such liability.
- C. Where the proper officer cancels the registration suo-motu** - He shall not cancel the same without giving a show cause notice in **Form GST REG 17** 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 in **Form GST REG 18**
- D. Passing of order of cancellation by the proper officer**
- Issue order of cancellation of registration **Form GST REG 19** within 30 days from the date of submission of application for cancellation by the proper officer - **Where a person submitted application and is no longer liable to be registered.**
- E. Dropping of cancellation proceedings**
- If reply to SCN is satisfactory, proper officer shall drop the proceedings and pass an order in **Form GST REG 20**. 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.
- F. Effective date of cancellation:**
- The cancellation of registration shall be effective from a date to be determined by the proper officer. He will direct the taxable person to pay arrears of any tax, interest or penalty including the amount liable to be paid under section 29(5)

SUSPENSION OF REGISTRATION

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, for such period and in such manner prescribed u/r **21A. [Proviso to Section 29(1)]**

Tutorial Note: The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST law during the pendency of the proceedings related to cancellation of registration.

**PROCEDURE FOR SUSPENSION OF REGISTRATION**

Where registered person has applied for cancellation of registration [Rule 21A(1)]	Where cancellation of registration has been initiated by Department on their own motion [Rule 21A(2)]
The registration shall be deemed to be suspended from (a) date of submission of the application or (b) date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.	Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled, he may, <u>without affording the said person a reasonable opportunity of being heard</u> , 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.

Other points to be remembered

1. Where, a comparison of the returns furnished by a registered person under section 39 with:
 - (a) the details of outward supplies furnished in Form GSTR-1; or
 - (b) the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their Form GSTR-1, or
 - (c) 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,
2. **there is a contravention of the provisions of rule 10A by the registered person,**
his registration shall be suspended.

Said person shall be intimated in **GST REG-31** 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. **[Rule 21A(2A)]**

3. A registered person, whose registration has been suspended as above:
 - shall **not issue a tax invoice** and, accordingly, not charge tax on supplies made by him during the period of suspension
 - shall **not be required to furnish any return** under section 39. **[Rule 21A(3)]**



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4. In a case 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 of the CGST Act, during the period of suspension of his registration. **[Rule 21A(3A)]**
5. 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.

Provided that the suspension of registration may be revoked by the proper officer, anytime during the pendency of the proceedings for cancellation, if he deems fit. **[First Proviso to Rule 21A(4)]**

Provided further that where the registration has been suspended u/r 21(2A) for contravention of the provisions contained in clause (b) or clause (c) of Section 29(2) and the registration has not already been cancelled by the proper officer u/r 22, the suspension of registration shall be deemed to be revoked upon furnishing of all the pending returns. **[Second Proviso to Rule 21A(4)]**

Provided also that where the registration has been suspended as above for contravention of provisions of rule 10A and the registration has not already been cancelled by the proper officer under rule 22, the suspension of registration shall be deemed to be revoked upon compliance with the provisions of rule 10A. **[Third Proviso to Rule 21A(4)]**

6. Where any order having the effect of revocation of suspension of registration has been passed, following provisions: (a) Issue of revised invoice as per Section 31(3)(a) and (ii) First Return u/s 40 **in respect of the supplies made during the period of suspension, shall apply. [Rule 21A(5)]**

REVERSAL OF CREDIT [SECTION 29(5) & 29(6)]

1. A registered person whose registration is cancelled will have to **debit the electronic credit or cash ledger** by an amount equal to
 - (a) input tax credit (ITC) in respect of:
 - (i) stock of inputs and inputs contained in semi-finished/finished goods' stock or
 - (ii) capital goods or plant and machineryon the day immediately preceding the date of cancellation, or
 - (b) the output tax payable on such goods**whichever is higher, calculated in such manner as may be prescribed.**
2. 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.**

**AMOUNT OF CREDIT TO BE REVERSED IN RESPECT OF INPUTS**

Higher of following:

- A. ITC on inputs computed proportionately on the basis of corresponding invoices** on which credit had been availed on such inputs.
- B. Output tax payable on such goods.

****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**

Amount of credit to be reversed in respect of capital goods or plant & machinery

Higher of following:

- A. 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
- B. Tax on the transaction value of such capital goods or plant and machinery under section 15

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 x 5/60

REVOCATION OF CANCELLATION OF REGISTRATION [SECTION 30]

- (a) Where the registration of a person is cancelled suo-motu by the proper officer, such registered person may apply for revocation of the cancellation to such proper officer in **Form GST REG -21** in such manner, within such time and subject to such conditions and restrictions, as may be prescribed.

Consequently, Rule 23(1) of the CGST Rules has also been suitably amended to give effect to aforesaid amendment. Amended rule 23(1) reads as follows:

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

However, such period 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 or Joint Commissioner, as the case may be, for a **further period not exceeding 180 days.**



REGISTRATION

- (b) In case registration was cancelled for **failure of registered person to furnish returns**, before applying for revocation the person has to make good the defaults (by filing all pending returns, making payment of all dues in terms of such returns along with interest, penalty, late fee, etc.) for which the registration was cancelled by the officer.
- (c) If the proper officer is satisfied that there are sufficient grounds for revocation of cancellation, he may revoke cancellation of registration, by an order in **Form GST REG -22** within **30 days** of receipt of application and communicate the same to applicant.
- (d) Otherwise, he may reject the revocation application. However, before rejecting the application, he has to first issue SCN in **Form GST REG -23** to the applicant who shall furnish the clarification **Form GST REG -24** 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 by passing an order in **Form GST REG -22**.
- (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.

Pending returns to be filed before revocation of cancellation of registration [Rule 23(1) of the CGST Rules, 2017]

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

- (i) all returns due till the date of such cancellation are required to be furnished before the application for revocation can be filed; and
- (ii) 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 30 days from the date of the order of revocation.

However, 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.