

CA VIVEK GABA



Chapter 9: Registration

Descriptive Questions

Easy

Question 1

MTP Oct'19

What could be the liabilities (in so far as registration is concerned) on transfer of a business?

2 Marks

Answer:

The transferee or the successor shall be liable to be registered with effect from such transfer or succession and he will have to obtain a fresh registration with effect from the date of such transfer or succession.

Question 2

MTP Aug'18

Mr. Akash Malhotra of Gujarat often participates in the jewellery exhibition at Trade Fair in Delhi, which is organized every year in the month of February. Mr. Akash Malhotra 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. Akash Malhotra. You are required to examine whether any advance tax is to be paid by Mr. Akash Malhotra at the time of obtaining registration? 4 Marks

Answer:

Yes, advance tax is to be paid by Mr. Akash Malhotra at the time of obtaining registration. Since Mr. Akash Malhotra occasionally undertakes supply of goods in the course or furtherance of business in a state where he has no fixed place of business, thus he qualifies as casual taxable person in terms of section 2(20) of CGST Act, 2017. While a normal taxable person does not have to make any advance deposit of tax to obtain registration, a casual taxable person shall, at the time of submission of application for registration is required, in terms of section 27(2) read with proviso thereto, 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. If registration is to be extended beyond the initial period of 90 days, an advance additional amount of tax equivalent to the estimated tax liability is to be deposited for the period for which the extension beyond 90 days is being sought.

Question 3

MTP March 22

What is the validity period of the registration certificate issued to a casual taxable person and non-resident taxable person? 5 Marks

Answer:



In terms of section 27(1) of the CGST Act, 2017 read with proviso thereto, the certificate of registration issued to a "casual taxable person" or a "non-resident taxable person" shall be valid for a period specified in the application for registration or 90 days from the effective date of registration, whichever is earlier. However, the proper officer, at the request of the said taxable person, may extend the validity of the aforesaid period of 90 days by a further period not exceeding 90 days.

Question 4

MTP April 22, MTP Aug'18

Does cancellation of registration impose any tax obligations on the person whose registration is so cancelled? **5 Marks**

Answer:

Yes, as per section 29(5) of the CGST Act, 2017, every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher.

Question 5

MTP March '23, MTP May'20, MTP Oct'19

Determine the effective date of registration in following cases:

- The aggregate turnover of Dhampur Footwear Industries of Delhi has exceeded the applicable threshold limit of ₹ 40 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.
- Mehta Teleservices is an architect in Lucknow. Its aggregate turnover exceeds ₹ 20 lakh on 25th October. It submits the application for registration on 27th November. Registration certificate is granted to it on 5th December. **6 Marks**

Answer:

- Every supplier becomes liable to registration if his turnover exceeds the applicable threshold limit [₹ 40 lakh in this case] in a financial year. Since in the given case, the turnover of Dhampur Industries exceeded ₹ 40 lakh on 1st September, it becomes liable to registration on said date. Further, since the application for registration has been submitted within 30 days from such date, the registration shall be effective from the date on which the person becomes liable to registration. Therefore, the effective date of registration is 1st September.

- Since in the given case, the turnover of Mehta Teleservices exceeds the applicable threshold limit [₹ 20 lakhs] 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.



Question 6

M/s Siya Ram is a trader of decorative items in Hauz Khas, Delhi. His aggregate turnover exceeded ₹ 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.

Answer:

The advice of Mr. Siya Ram's consultant that prior submission of bank details is mandatory to obtain registration is no more valid in law.

A new rule 10A has been inserted in the CGST Rules, 2017 vide Notification No. 31/2019 CT dated 28.06.2019 which allows the registered person 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.

This relaxation is however not available for those who have been granted registration as TDS deductor/ TCS collector under rule 12 or who have obtained suo-motu registration under rule 16.

Question 7

Briefly enumerate the contraventions which make a registered person liable to cancellation of registration, as prescribed under rule 21 of the CGST Rules, 2017.

Answer:

Rule 21 of the CGST Rules, 2017 prescribes the contraventions which make a registered person liable to cancellation of registration. As per said rule, the registration granted to a person is liable to be cancelled, if the said person -

- does not conduct any business from the declared place of business.
- issues invoice/bill without supply of goods/services in violation of the provisions of this Act, or the rules made thereunder.
- violates the provisions of section 171 of the CGST Act. Section 171 contains provisions relating to anti-profiteering measure.
- violates the provision of rule 10A of the CGST Rules relating to furnishing of bank account details.
- avails input tax credit in violation of the provisions of section 16 of the CGST Act or the rules made thereunder.
- furnishes the details of outward supplies in Form GSTR-1 under section 37 of the CGST Act 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 being a registered person required to file return under section 39(1) of the CGST Act for each month or part thereof (i.e. monthly return filer), has not furnished returns for a continuous period of 6 months being a registered person required to file return under proviso to section 39(1) of the CGST Act for each quarter or part thereof (i.e. quarterly return filer), has not furnished returns for a continuous



period of 2 tax periods.

Question 8

PYQ July'21

Examine the following cases and explain with reasons whether the supplier of goods is liable to get registered in GST:

- (i) Krishna of Himachal Pradesh is exclusively engaged in intra-State taxable supply of readymade suits. His turnover in the current financial year from Himachal Pradesh showroom is ` 25 lakh. He has two more showrooms one in Manipur & another in Sikkim with a turnover of ` 15 lakh and ₹18 lakh respectively in the current financial year.
- (ii) Ankit of Telangana is exclusively engaged in intra-State taxable supply of footwears. His aggregate turnover in the current financial year is ` 25 lakh:
- (iii) Aakash of Uttar Pradesh is exclusively engaged in intra-State supply of pan masala. His aggregate turnover in the current financial year is ` 30 lakh. **5 Marks**

Answer:

Every person engaged in making a taxable supply is required to obtain registration if his aggregate turnover exceeds ₹20 lakh in a financial year. An enhanced threshold limit for registration of ₹40 lakh is available to persons engaged exclusively in intra-State supply of goods in specified States.

1. The applicable threshold limit for registration gets reduced to ₹10 lakh in case a person is engaged in making taxable supply from a Special Category State. Since Krishna is making taxable supply from Manipur - a Special Category State, the applicable threshold limit will get reduced to ₹10 lakh. Thus, it is liable to be registered under GST as its aggregate turnover exceeds the said threshold limit.
2. Since Ankit is exclusively engaged in intra-State supply of goods in Telangana, which is not a specified State for enhanced threshold limit, the applicable threshold limit for registration is ₹20 lakh. Thus, Ankit is liable to be registered under GST as its aggregate turnover exceeds the said threshold limit.
3. Though the enhanced threshold limit for registration of ` 40 lakh is available to Uttar Pradesh, the same will not be applicable if the person is engaged in supply of pan masala. In view of the same, the applicable threshold limit for Aakash is ` 20 lakh. Thus, it is liable to be registered under GST as its aggregate turnover exceeds the said threshold limit.

Question 9

PYQ Jan'21

Under the provision of section 29(1) of CGST Act, 2017 read with rule 21A of CGST Rules, 2017 related to suspension of registration if the registered person has applied for cancellation of registration, what is the period and manner of suspension of registration on? **5 Marks**

Answer:

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

- a) the date of submission of the application or
- b) the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.



Such person shall not make any taxable supply during the period of suspension and shall not be required to furnish any return.

The expression "shall not make any taxable supply" mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the suspension period.

Question 10

PYQ Jan'21

Explain the circumstances under which proper officer can cancel the registration on his own of a registered person under CGST Act, 2017. 5 Marks

Answer:

The circumstances under which proper officer can cancel the registration on his own of a registered person under the CGST Act, 2017 are as under: -

- (i) A registered person has contravened any of the following prescribed provisions of the GST law:
 - a) He does not conduct any business from the declared place of business.
 - b) He issues invoice/bill without supply of goods/services in violation of the provisions of GST law.
 - c) He violates the provisions of anti-profiteering.
 - d) He violates the provisions relating to furnishing of bank details.
- (ii) A person paying tax under composition levy has not furnished returns for 3 consecutive tax periods.
- (iii) A registered person paying tax under regular scheme has not furnished returns for continuous period of 6 months.
- (iv) Voluntarily registered person has not commenced the business within 6 months from the date of registration.
- (v) Registration was obtained by means of fraud, willful misstatement or suppression of facts.

Question 11

PYQ Nov'19

Explain the registration requirements under GST law in the following independent cases:

- (i) Mr. Ahmad of Jammu engaged in the business of supplying tobacco-based Pan Masala with an aggregate turnover of ` 24 lacs.
- (ii) Mr. Lepta of Mizoram is engaged in the supply of papers with an aggregate turnover of ` 13 lacs.
Will your answer be different if Mr. Lepcha is located in Meghalaya? **5 Marks**

Answer:

(i) A person is eligible for enhanced threshold limit of ₹40 lakh in the State of Jammu and Kashmir if he is engaged exclusively in intra-State supply of goods.

However, the enhanced threshold limit is not applicable if the person is engaged, inter alia, in the supply of pan masala and all goods of chapter 24 i.e. Tobacco and manufactured tobacco substitutes. In that case, the normal threshold limit of ₹20 lakh will be applicable.

In view of said provisions, in the given case, Mr. Ahmad is liable to register since his aggregate turnover (₹24 lakh) exceeds the applicable threshold limit for registration of ₹20 lakh.



(ii) The enhanced threshold limit of ₹40 lakh as applicable to a person engaged exclusively in intra-State supply of goods, is not applicable to Mizoram [a specified Special Category State]. Instead, a lower threshold limit of ₹10 lakh for registration is applicable for Mizoram.

Thus, in the given case, Mr. Lepcha of Mizoram is liable to register since his aggregate turnover (₹13 lakh) exceeds the applicable threshold limit for registration of ₹10 lakh. The enhanced threshold limit of ₹40 lakh is also specifically not applicable in the State of Meghalaya.

Instead, the normal threshold limit of ₹20 lakh for registration is applicable to it. Therefore, if Mr. Lepcha is located in Meghalaya, he is not liable to register since his aggregate turnover (₹13 lakh) does not exceed the applicable threshold limit for registration of ₹20 lakh.

Question 12

PYQ May'19

State with brief reason, whether following suppliers of taxable goods are required to register under the GST Law:

(i) Mr. Raghav is engaged in wholesale cum retail trading of medicines in the State of Assam. His aggregate turnover during the financial year is ₹9,00,000 which consists of ₹8,00,000 as Intra-State supply and ₹1,00,000 as Inter-State supply.

(ii) 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 financial year 2023-24 is of ₹12 lakhs on his own account and ₹9 lakhs on behalf of principal. Both turnovers are Intra -State supply.

4 Marks

Answer:

(i) Person making any inter-State taxable supply of goods is required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. Thus, in the given case Mr. Raghav is required to obtain registration compulsorily under GST laws even though his aggregate turnover does not exceed the threshold limit of ₹10 lakh [since Assam is a Special Category State] in the financial year.

(ii) Persons who make taxable supply of goods on behalf of other taxable persons whether as an agent or otherwise are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover. Aggregate turnover includes all supplies made by the taxable person, whether on his own account or made on behalf of all his principals.

Since Mr. S.N Gupta is also acting as an agent of Mr. Rishi of Delhi, he is required to obtain registration compulsorily under GST laws.

Question 13

PYQ Nov'18

Registration under the CGST Act, 2017 can be cancelled by the proper officer, if the voluntarily registered person has not commenced the business within three months from the date of registration. **1.5 Marks**

Answer:

The said statement is False.

Registration under the CGST Act, 2017 can be cancelled by the proper officer, if the



voluntarily registered person has not commenced the business within six months from the date of registration.

Question 14

PYQ Nov'18, MTP April'19

State the persons who are not liable for registration as per provisions of Section 23 of Central Goods and Service Tax Act, 2017. 5 Marks

Answer:

As per provisions of Section 23 of CGST Act, 2017, the persons who are not liable for registration are as under-

- (i) Person engaged exclusively in supplying goods/services/both that are wholly exempt from tax.
- (ii) Person engaged exclusively in supplying goods/services/both that are not liable to tax.
- (iii) Agriculturist to the extent of supply of produce out of cultivation of land.
- (iv) Persons only engaged in making supplies of taxable goods or services or both liable to reverse charge.
- (v) Persons making inter-State supplies of taxable services up to an aggregate turnover of ₹20 lakh (₹10 lakh in case of special category States except Jammu and Kashmir).
- (vi) Casual Taxable Persons making taxable supplies of specified handicraft goods up to an aggregate turnover of ₹20 lakh (₹10 lakh in case of special category States except Jammu and Kashmir) subject to specified conditions.
- (vii) Persons making inter-State supplies of specified handicraft goods up to an aggregate turnover of ₹20 lakh (₹10 lakh in case of special category States except Jammu and Kashmir) subject to specified conditions.
- (viii) Job workers making inter-State supply of services to a registered person up to an aggregate turnover of ₹20 lakh (₹10 lakh in case of special category States except Jammu and Kashmir) subject to specified conditions.
- (ix) Persons making supplies of services through an electronic commerce operator (other than supplies specified under section 9(5) of the CGST Act) up to an aggregate turnover of ₹20 lakh (₹10 lakh in case of special category States except Jammu and Kashmir).

Question 15

May'18, MTP Oct'18

Determine the effective date of registration in the following instances:

The aggregate turnover of Madhu Ltd., engaged in taxable supply of services in the state of Punjab, exceeded ₹20 lakh on 25th August, 2023. It applies for registration on 19th September, 2023 and is granted registration certificate on 29th September, 2023.

What will be your answer, if in the above scenario, Madhu Ltd. submits the application for registration on 27th September, 2023 and is granted registration on 5th October, 2023? **4 Marks**

Answer:

A supplier whose aggregate turnover in a financial year exceeds ₹20 lakh in a State/UT [₹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 ` 20 lakh/` 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 ` 20 lakh as Punjab is not a Special Category State.

- (i) Since Madhu Ltd. applied for registration within 30 days of becoming liable to registration, the effective date of registration is 25th August, 2023.
- (ii) 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, 2023.

Question 16

PYQ May'19

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?

- (i) When is the casual taxable person liable to get registered?
- (ii) What is the validity period of the registration certificate issued to a casual taxable person?
- (iii) Can the validity of registration certificate issued to a casual taxable person be extended? If yes, what will be the period of extension. **5 Marks**

Answer:

- (i) Casual taxable person means a person who occasionally undertakes transactions involving supply of goods and/or services 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.
- (ii) No, a casual taxable person cannot opt for the composition scheme.
- (iii) A casual taxable person (CTP) is liable to obtain registration compulsorily under GST laws, at least 5 days prior to commencement of business.

However, threshold limit of ` 20 lakh (` 10 lakh in case of Special Category States other than Jammu & Kashmir) is available in case of CTP making taxable supplies of specified handicraft goods.

- (iv) The registration certificate issued to a casual taxable person will be valid for:
 - a) the period specified in the registration application, or
 - b) 90 days from the effective date of registration whichever is earlier.
- (v) Yes, the validity of registration certificate issued to a casual taxable person can be extended. It can be extended by a further period not exceeding 90 days.

Question 17

PYQ May'22

State any five circumstances under which the proper officer can cancel the registration on his own under the CGST Act, 2017. **5 Marks**

Answer:

Answer to Alternative

Circumstances under which the proper officer can cancel the registration on his own



under the CGST Act, 2017:

(i) A registered person has contravened any of the following prescribed provisions of the GST law:

- | |
|---|
| a) he does not conduct any business from the declared place of business. |
| b) he issues invoice/bill without supply of goods/services in violation of the provisions of GST law. |
| c) he violates the provisions of anti-profiteering. |
| d) he violates the provisions relating to furnishing of bank details. |
| e) he avails ITC in violation of the provisions of the GST law. |
| f) furnishes the details of outward supplies in GSTR-1 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return for the said tax periods. |
| g) he violates the provision relating to restrictions on use of amount available in electronic credit ledger |

(ii) A person paying tax under composition levy has not furnished returns for 3 consecutive tax periods.

(iii) A registered person paying tax under regular scheme has not furnished returns for continuous period of 6 months.

(iv) Voluntarily registered person has not commenced the business within 6 months from the date of registration.

(v) Registration was obtained by means of fraud, wilful misstatement or suppression of facts.

Question 18

PYQ Nov '22

Answer the following, after reading the below given paragraph:

- (i) Briefly discuss the relevant provision decide the correct conclusion and
 (ii) Determine the validity of the given advice (Correct/Incorrect)

Dharun provides service as a business facilitator to Zio Bank Limited by facilitating in opening of bank accounts to villagers in its rural branches in Punjab and earned a commission of ₹ 22 lakh in the month of April, 2022. So far he is not registered under GST. Dharun's tax consultant advised him that he is liable for registration under GST as his gross receipts exceeded ₹ 20 lakh. Dharun has no other receipt/ business activity other than the above. **2 Marks**

Answer:

Services by a business facilitator to a banking company with respect to accounts in its rural area branch is exempt from GST.

Since in the given case, Dharun is engaged exclusively in providing the exempt services, it is not liable to obtain registration even though his aggregate turnover exceeds ₹ 20 lakh.

Thus, the advice given by his tax consultant is not correct.

Question 19

PYQ Nov '23

Explain the procedure for revocation of cancellation of registration where the registration of a person is cancelled suo-motu by the proper officer as per the provisions of CGST Act, 2017

5 Marks

Answer:



Where the registration of a person is cancelled *suo-motu* by the proper officer, such registered person may apply for revocation of the cancellation of registration to such proper officer, within 30 days (or within extended time period) from the date of service of the order of cancellation of registration.

If the proper officer is satisfied that there are sufficient grounds for revocation of cancellation, he may revoke the cancellation of registration, by an order within 30 days of receipt of application and communicate the same to applicant.

Otherwise, he may reject the revocation application. However, before rejecting the application, he has to first issue SCN to the applicant who shall furnish the clarification within 7 working days of service of SCN.

The proper officer shall dispose the application (accept/reject the same) within 30 days of receipt of clarification.

Moderate

Question 1

MTP Apr'19

Determine the effective date of registration under CGST Act in respect of the following cases with proper explanation:

The aggregate turnover of Varun Industries of Mumbai has exceeded ₹ 40 lakh on 1st August. Varun Industries manufactures LED TVs in Mumbai and sells them in Pune. It submits the application for registration on 20th August. Registration certificate granted on 25th August.

Sweta InfoTech Services is the provider of internet services in Pune. Its aggregate turnover exceeds ₹ 20 lakh on 25th September. It submits the application for registration on 27th October. Registration certificate is granted on 5th November. **4 Marks**

Answer:

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: -

- ₹ 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- ₹ 20 lakh for the States of States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- ₹ 40 lakh for rest of India. However, the higher threshold limit of ₹ 40 lakh is not available to 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 States of Mizoram, Tripura, Manipur and Nagaland.
 - ₹ 20 lakh for the rest of India.

As per rule 10, where a person submits the application for registration within 30 days of becoming liable for registration, the effective date of registration is the date on which the person

