

In the backdrop of the above-mentioned discussion, the aggregate turnover for the month of April, 20XX is computed as under:

S.No	Particulars	Amount(in ₹)
(i)	Supply of machine oils in Delhi	2,00,000
(ii)	Add: Supply of high speed diesel in Delhi	4,00,000
(iii)	Add: Supply made through Fortis Lubricants - an agent of Pure Oils in Delhi	-
(iv)	Add: Supply made by Pure Oils from its branch located in Punjab	1,80,000
	Aggregate Turnover	7,80,000

Since the aggregate turnover does not exceed ₹ 20 lakh (*as per amendment 40 Lakh*), Pure Oils is not liable to be registered.

If Pure Oils made supply of machine oils amounting to ₹ 2,50,000 from its branch in Himachal Pradesh in addition to the above supply, ~~then threshold limit of registration will be reduced to ₹ 10 lakh as Himachal Pradesh is one of the specified Special Category States.~~ *As per amendment the limit will be 40 Lakhs as mentioned below.*

Aggregate Turnover in that case would be ₹ 7,80,000 + ₹ 2,50,000 = ₹ 10,30,000. ~~So, if Pure Oils supplies machine oils amounting to ₹ 2,50,000 from its branch in Himachal Pradesh, then it is liable to be registered.~~ *Hence It will not be liable to get registered.*

*As per amendment -*

*As per section 22 of the CGST Act, 2017 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 Special Category States of Mizoram, Tripura, Manipur and Nagaland.*
- ₹ 20 lakh for the States, namely, States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.*
- ₹ 40 lakh for rest of India except persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.*

#### Question 4

RTP May '22

Mr. X of Haryana intends to start business of supply of building material to various construction sites in Haryana. He has taken voluntary registration under GST in the month of April. However, he has not commenced the business till December due to lack of working capital. The proper officer suo-motu cancelled the registration of Mr. X. You are required to examine whether the action taken by proper officer is valid in law?

Mr. X has applied for revocation of cancellation of registration after 40 from the date of service of the order of cancellation of registration. Department contends that



application for revocation of cancellation of registration can only be made within 30 days from the date of service of the order of cancellation of registration. However, Mr. X contends that the period of submission of application may be extended on sufficient grounds being shown. You are required to comment upon the validity of contentions raised by Department and Mr. X.

**Answer:**

As per section 29 of the CGST Act, 2017, the proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,-

- (a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
- (b) a person paying tax under composition scheme has not furnished returns ~~for three consecutive tax periods~~. *(As per amendment -the return 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 a continuous period of six months~~ *such continuous tax period as may be prescribed*; or
- (d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or registration has been obtained by means of fraud, willful misstatement, or suppression of facts:

Thus, in view of the above-mentioned provisions, suo-motu cancellation of registration of Mr. X by proper officer is valid in law since Mr. X, a voluntarily registered person, has not commenced his business within 6 months from the date of registration. Further, 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, within ~~30 days~~ **90 days** from the date of service of the order of cancellation of registration

However, the said period of ~~30 days~~ **90 days** may, on sufficient cause being shown and for reasons to be recorded in writing, be extended for a period not exceeding ~~30 days~~ **180 days by the Commissioner or an officer authorised by him on his behalf not below rank of Additional/Joint Commissioner** ~~and by further period not exceeding 30 days by Commissioner~~. Thus, considering the above provisions, the contention of Department is not valid in law as extension can be sought in the prescribed time limit for revocation of cancellation of registration. The contention raised by Mr. X is valid in law as extension in time limit is allowed on sufficient cause being shown and for reasons to be recorded in writing.

*(As per amendment a registered person can submit an application for revocation of cancellation of registration to such proper officer within a period of 90 days from the date of service of the order of cancellation of registration. However, such a period may on sufficient cause being shown and for reasons to be recorded in writing be extended by the Commissioner or an officer authorized by him in this behalf not below the rank of Additional or Joint Commissioner as the case maybe for a further period not exceeding 180 days)*

### Question 5

RTP Nov'22

"Aadhaar authentication is not required for persons who are already registered under GST." Examine and discuss the correctness of the statement. You are required to elaborate the relevant legal provisions.



**Answer:**

The given statement is incorrect. Aadhaar authentication has been made mandatory for the new registrants as well as for the existing registrants. With regard to existing registrants, section 25(6A) of the CGST Act, 2017 stipulates that every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in the prescribed form, manner and time. New rule 10B of the CGST Rules, 2017 prescribes the manner in which aadhaar authentication needs to be done by a registered person.

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

- Proprietor, in the case of proprietorship firm,
- Any partner, in the case of a partnership firm,
- Karta, in the case of a Hindu undivided family,
- Managing director or any whole-time director, in the case of a company,
- Any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or
- Trustee in the Board of Trustees, in the case of a Trust; and of the Authorized Signatory, in order to be eligible for the following purposes:
  - ✓ for filing of application for revocation of cancellation of registration [Rule 23]
  - ✓ for filing of refund application in Form RFD-01 [Rule 89]
  - ✓ for refund of the IGST paid on goods exported out of India [Rule 96]

First proviso to section 25(6A) of the CGST Act, 2017 provides that if an Aadhaar number is not assigned to an existing registered person, such person shall be offered alternate and viable means of identification in the prescribed manner. Such manner has been prescribed by rule 10B of the CGST Rules, 2017 as follows:

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

- a) his/ her Aadhaar Enrolment ID slip; and
- b) (i) Bank passbook with photograph; or
  - (ii) Voter identity card issued by the Election Commission of India; or
  - (iii) Passport; or
  - (iv) Driving license issued by the Licensing Authority

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

The afore-said rule 10B shall not be applicable to persons notified under section 25(6D) of the CGST Act, 2017, i.e. to persons exempt from aadhaar authentication.



**Question 6**

PYQ Nov '23

Ranmo Limited, a registered entity under GST has demerged its operations with effect from 31<sup>st</sup> October, 2023. The registration of Ranmo Limited has been cancelled suo-motu by the Proper Officer. The order of cancellation of registration was passed on 4<sup>th</sup> November, 2023 and was served on 7<sup>th</sup> November, 2023.

Ranmo Limited wishes to apply for revocation of cancellation of registration on 4<sup>th</sup> February, 2024. The tax consultant of Ranmo Limited advised that application for revocation of cancellation or registration is time barred and hence not valid in law.

You are required to examine the technical veracity of the advice given by Tax Consultant of Ranmo Limited.

**Answer:**

A registered person, whose registration is cancelled by the proper officer on his own motion, may, subject to the provisions of rule 10B of the CGST Rules, 2017, 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.

Thus, in the given case, Ranmo Limited can apply for revocation of cancellation of registration within a period of 90 days from the date of the service of the order of cancellation of registration, i.e. within 90 days from 7<sup>th</sup> November, 2023.

The application submitted for revocation of cancellation of registration is valid in law as the same has been submitted within the prescribed time limits.

Thus, the advice given by Tax Consultant of Ranmo Limited is not valid in law.

**Question 7**

CS Execu. June 2019

State the persons who are not liable for registration as per provisions of Section 23 of Central Goods and Services Act, 2017. **3 Marks**

**Answer:**

As per the provisions of section 23(1) of the CGST Act, 2017 the following persons shall not be liable to registration, namely :-

- (a) any person engaged exclusively in business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the IGST Act;
- (b) an agriculturist, to the extent of supply of produce out of cultivation of land.

Section 23(2) of the CGST Act, 2017 states that the Government may, on their commendations of the Council, by notification, specify the category of persons who may be exempted from obtaining registration under this Act. Notifications have also been issued in exercise of the powers conferred by section 23(2) of CGST Act, 2017.



**Question 8**

CS Execu. Dec. 2018

Subsequent to the grant of registration under the GST law, can the proper Officer conduct physical verification of the place of business? **3 Marks**

**Answer:**

Rule 25 of CGST Rules, 2017 empowers the proper officer to do physical verification of the place of business of a registered person after grant of registration.

Such verification may be made and the verification report along with other documents, including photographs, shall be uploaded in form GST REG 30 on the common portal (gst.gov.in) within 15 working days following the date of such verification.

**Question 9**

CS Execu. Dec. 2018

State when a registration granted under the CGST Act, 2017 to a taxable person can be cancelled and what should be done by such person after cancellation of registration in the electronic cash ledger or electronic credit ledger? **3 Marks**

**Answer:**

As per section 29 of CGST Act, 2017 the proper officer may either him-self or on application filed by a registered person, or his legal heirs in case of a death of a registered person, cancel/revoke the registration of such person.

This cancellation could be from a prospective/retrospective date as the officer may deem fit. This cancellation would in no way interfere with the liabilities of the said person relating to the taxes and other dues.

A registered person whose registration is being cancelled will have to debit the electronic cash ledger or the electronic credit 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.



## Multiple Choice Questions

<p><b>Question 1</b> <span style="float: right;"><b>MTP Oct'19</b></span></p> <p>Which of the following statements are correct?</p> <p>(i) Revocation of cancellation of registration under CGST/SGST Act shall be deemed to be a revocation of cancellation of registration under SGST/CGST Act.</p> <p>(ii) Cancellation of registration under CGST/SGST Act shall be deemed to be a cancellation of registration under SGST/CGST Act.</p> <p>(iii) Revocation of cancellation of registration under CGST/SGST Act shall not be deemed to be a revocation of cancellation of registration under SGST/CGST Act.</p> <p>(iv) Cancellation of registration under CGST/SGST Act shall not be deemed to be a cancellation of registration under SGST/CGST Act.</p> <p>a) (i) and (ii) b) (i) and (iv) c) (ii) and (iii) d) (iii) and (iv)</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Question 2</b> <span style="float: right;"><b>MTP April'19</b></span></p> <p>A person having ____business verticals in a State ____ obtain a separate registration for each business vertical.</p> <p>a) Single, shall b) Multiple, shall c) Multiple, may d) Single, may</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Question 3</b> <span style="float: right;"><b>MTP April'19</b></span></p> <p>Registration certificate granted to casual taxable person or non-resident taxable person will be valid for:</p> <p>a) Period specified in the registration application b) 90 days from the effective date of registration c) Earlier of (a) or (b) d) Later of (a) or (b)</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Question 4</b> <span style="float: right;"><b>MTP April 22</b></span></p> <p>Aanya, an individual, based in Gujarat, is in employment and earning ₹ 10 lakh as salary. She is also providing consultancy services to different organizations on GST implications of business. Her turnover from the supply of such services is ₹ 12 lakh. Determine whether Aanya is liable for taking registration as per provisions of the CGST Act?</p> <p>a) Yes, as her aggregate turnover is more than ₹ 20 lakh. b) No, as her aggregate turnover is less than ₹ 40 lakh. c) No, as services in the course of employment does not constitute supply and therefore, aggregate turnover is less than ₹ 20 lakh. d) Yes, since she is engaged in taxable supply of services.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>



**Question 5**

RTP May '20

Miss. Raksha is engaged in providing private coaching services in Noida, Uttar Pradesh and is not registered under GST till 25-Sep-20XX. Her aggregate turnover is ₹19,00,000/- on 30-Sep-20XX. She got GST registration on 30-Sep-20XX. Which of the following options are available to her?

- She can pay tax @ 18%, charge it from customer and avail full input tax credit on procurements made.
- She can pay tax @ 6% under exemption scheme for service providers but she cannot charge GST from customer and also cannot avail input tax credit.
- She is not liable for registration since her aggregate turnover is less than ₹40,00,000/-
- Either (a) or (b)

**Question 6**

RTP May '20

Mr. Pappu Singh, commenced his business in Feb-20XX. He has established following units:

- Unit A (in SEZ) and Unit B (non-SEZ) in the State of Maharashtra
- Unit C in Delhi
- Unit D and E in the State of Goa

Mr. Pappu Singh has approached you to help him in determining the States and number of registrations he is required to take under GST (presuming the fact that he is making taxable supply from each State and his aggregate turnover exceeds the threshold limit):

- Maharashtra-2: Delhi-1, Goa-Optional 1 or 2
- Maharashtra-Optional 1 or 2: Delhi-1, Goa-Optional 1 or 2
- Maharashtra-1: Delhi-1, Goa-1
- Maharashtra-2: Delhi-1, Goa-2

**Question 7**

RTP May '20

A non-resident taxable person is required to apply for registration:

- within 30 days from the date on which he becomes liable to registration
- within 60 days from the date on which he becomes liable to registration
- at least 5 days prior to the commencement of business
- None of the above

**Question 8**

RTP Nov '20

Prem & Sons had taken GST registration on 1st January but failed to furnish GST returns for the next 6 months. Owing to this, the proper officer cancelled its registration on 25th July and served the order for cancellation of registration on 31st July. Now, Prem & Sons wants to revoke the cancellation of registration. Prem & Sons can file an application for revocation of cancellation of registration on or before.

- 30th August
- 29th August
- 29th September
- 29th October


*(As per amendment a registered person can submit an application for revocation of cancellation of registration to such proper officer within a period of 90 days from the date of service of the order of cancellation of registration. However, such a period may on sufficient cause being shown and for reasons to be recorded in writing be extended by the Commissioner or an officer authorized by him in this behalf not below the rank of Additional or Joint Commissioner as the case maybe for a further period not exceeding 180 days)*



**Question 9**

RTP Nov '20

Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved on 14th September. In the given case, Kalim & Associates is:

- a) required to file Final Return on or before 13th December
- b) not required to file Final Return
- c) required to file Final Return on or before 30th September
- d) required to file Final Return on or before 14th December

**Question 10**

RTP May '21

Mr. Z of Himachal Pradesh starts a new business and makes following supplies in the first month-Intra-State supply of taxable goods amounting to ₹ 17 lakh Supply of exempted goods amounting to ₹ 1 lakh. Inter-State supply of taxable goods amounting to ₹ 1 lakh Whether he is required to obtain registration?

- a) Mr. Z is liable to obtain registration as the threshold limit of ₹ 10 lakh is crossed.
- b) Mr. Z is not liable to obtain registration as he makes exempted supplies.
- c) Mr. Z is liable to obtain registration as he makes the inter-State supply of goods.
- d) Mr. Z is not liable to obtain registration as the threshold limit of ₹ 20 lakh is not crossed.

**Question 11**

PYQ Nov'23

Which of the following statements is most appropriate in relation to the new warehouse taken on rent by the Company?

- a) Separate GST registration is not required mandatorily.
- b) Separate GST registration is required mandatorily.
- c) GST registration is required as a casual taxable person for the term of rent agreement.
- d) Separate GST registration is required once the rent is more than ₹20 lakh per annum.

**Question 12**

CS exceu.

Mr. Manjot is a trader supplying goods from his firm M/s Singh Traders. The office of the firm is located in Delhi whereas its godowns are located in the State of Uttar Pradesh, Punjab and Jammu & Kashmir (J & K) respectively. M/s Singh Traders made following intra-State supplies from different States during the current financial year:

- (i) Delhi - Taxable supplies: Rs. 21,00,000
  - (ii) Punjab - Exempted supplies: Rs. 6,00,000
  - (iii) Uttar Pradesh - Taxable and exempted supplies: Rs. 3,00,000 each respectively.
  - (iv) J & K - Taxable and exempted supplies: Rs. 8,00,000 and Rs. 3,00,000 respectively.
- Ascertain the States in which Mr. Manjot is required to take registration under GST.

- (a) Delhi, Punjab, Uttar Pradesh and J & K
- (b) Delhi, Uttar Pradesh and J & K
- (c) Delhi and Uttar Pradesh
- (d) Delhi



**Question 13**

CS exceu.

Section 24 of the CGST Act, 2017 lists categories of persons who are required to take registration even if they are not covered under section 22 of the Act. Find out from the following categories of persons who are being required to take registration as per section 24 of the CGST Act, 2017 :

- (i) Casual taxable person
- (ii) Non-resident taxable person
- (iii) Recipient of service under Reverse Charge
- (iv) Interstate supplier
- (v) Input service distributor : (June. 2019)

- (a) (i), (iii) and (v)
- (b) (i), (ii), (iv) and (v)
- (c) (i), (ii) and (v)
- (d) All (i) to (v)

**Question 14**

CS exceu.

Mr. A has started supply of goods in Jammu and Kashmir. He is required to obtain registration if his aggregate turnover exceeds \_\_\_\_\_ during a financial year.

- (a) Rs. 10 lakh
- (b) Rs. 20 lakh
- (c) Rs. 30 lakh
- (d) Rs. 40 lakh

**Question 15**

CS exceu.

A casual taxable person or a non-resident taxable person shall apply for registration at least prior to the commencement of business.

- (a) 5 days
- (c) 15 days
- (b) 10 days
- (d) 30 days

**Question 16**

CS exceu.

Determine the effective date of registration in following case : The aggregate turnover of Dhampur Industries of Delhi has exceeded Rs. 20 lakh on 1st September. It submits the application for registration on 20th September. Registration certificate is granted to it on 25th September.

- (a) 1<sup>st</sup> September
- (b) 20<sup>th</sup> September
- (c) 25<sup>th</sup> September
- (d) 1<sup>st</sup> October

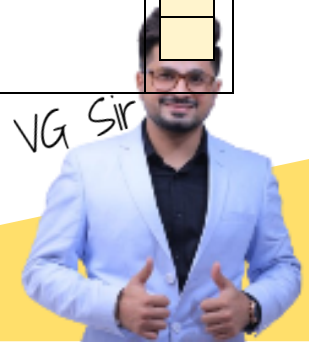
**Question 17**

CS exceu.

What is the validity of the registration certificate?

- (a) One year
- (b) No validity
- (c) Valid till it is cancelled.
- (d) Five years.



**Question 18**

CS execu.

If a person, opting for composition scheme is liable to be registered on 1st Oct. 2017 and he has applied for registration on 17th Nov. 2017 and registration granted on 20<sup>th</sup> Nov. 2017, then the effective date of registration will be:

- (A) 20th Nov. 2017
- (B) 1st Oct. 2017
- (C) 17th Nov. 2017
- (D) 1st April, 2018


**Question 19**

CMA Inter

Lakshmi became liable to be registered under GST law on 10th November, 2018. She submitted the application for registration on 18th November, 2018. The registration certificate is issued on 9th December, 2018. The effective date of registration will be

- (A) 10th November, 2018
- (B) 18th November, 2018
- (C) 9th December, 2018
- (D) None of these


**Question 20**

CMA Inter

Registration under GST is not compulsory to-

- (A) Casual taxable person
- (B) Input service distributor
- (C) Non-resident taxable person
- (D) None of the above


**Question 21**

CMA Inter

GST Registration

- (A) Aadhar based
- (B) Passport based
- (C) Pan based
- (D) None of the above


**Answers**

1	2	3	4	5	6	7	8	9	10
a	c	c	c	d	a	c	d	d	c
11	12	13	14	15	16	17	18	19	20
a	b	d	d	a	a	c	a	a	d
21									
c									



## Chapter 10: Tax Invoice, Credit & Debit Note

### Descriptive Questions

Easy

#### Question 1

MTP Oct'21 & April '22

Kartik & Co., a registered supplier under GST, provides the following information regarding various tax invoices issued by it during the month of March:

- Value of supply charged in invoice no. 1 was ₹ 2,50,000 against the actual taxable value of ₹ 2,30,000.
- Tax charged in invoice no. 4 was ₹ 32,000 against the actual tax liability of ₹ 68,000 due to wrong HSN code being chosen while issuing invoice.
- Value charged in invoice no. 8 was ₹ 3,20,000 as against the actual value of ₹ 4,20,000 due to wrong quantity considered while billing.

Kartik & Co. asks you to answer the following:

6 Marks

Who shall issue a debit/credit note under CGST Act?

- Whether debit note or credit note has to be issued in each of the above circumstances?
- What is the maximum time-limit available for declaring the credit note in the GST Return?

Answer:

- The debit/credit note shall be issued by the registered person who has supplied the goods and/or services, i.e. Kartik & Co.
- Yes, debit/credit note need to be issued in each of the circumstances as under:
  - A credit note is required to be issued as the taxable value in invoice no. 1 exceeds the actual taxable value.
  - A debit note is required to be issued as the tax charged in the invoice no. 4 is less than the actual tax payable.
  - A debit note is required to be issued as the value of supply charged in the invoice no. 8 is less than the actual value.
- The details of the credit note cannot be declared later than the return for the month of September as per amendment 30th November following the end of the financial year in which such supply was made or the date of furnishing of the relevant annual return, whichever is earlier.

#### Question 2

MTP March'21, March '23 & MTP Sep '23

Narayan Singh, a registered supplier, has received advance payment with respect to services to be supplied to Shelly. His accountant asked him to issue the receipt voucher with respect to such services to be supplied. However, he is apprehensive as to what would happen in case a receipt voucher is issued, but subsequently no services are supplied. You are required to advise

