

# **INTRODUCTION TO GST REGISTRATION**

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**Week 02**

**Lecture 05**

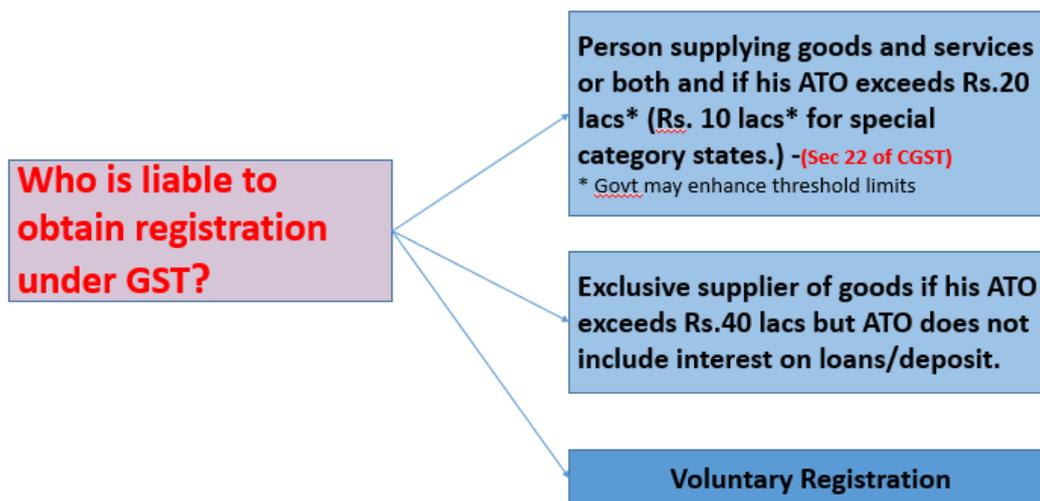
Welcome friends, we discussed about basic concept of GST, why GST was introduced, what were the problems with existing system prior to GST and finally which model we accepted and we introduced in the country with effect from 1st July 2017. So friends, in GST we have mainly three GST Act, one is CGST Act, one is SGST Act and another is IGST Act. So, these three constitutes GST Act. So, as I told you that with effect from 1st July 2017, GST was introduced. And it has 172 sections. Each section has its own role, relevancy in law as well as in economy. So, Section 1 talk about implementation of GST across India except in the state of J&K.

In J&K, it was introduced with effect from 8th of July 2017, means 17, 7 days later when it was introduced in the country. So, Section 1 is an implementation section for GST. Section 2 of CGST Act, because CGST Act is the main act which regulate all other acts. So, Section 2 of CGST Act talk about different definitions and basic concepts or new concept introduced in GST. So, section 2 talk about 119 definitions which are equally important for people those are practicing those are studying GST. So, all these 119 definitions are very very important if you really want to understand the concepts of GST because these definitions in different sections are used and we must understand that.

Then section 3 and Section 4 talks about administrative part of the GST, means how the departments of GST works, what are their officers and what are their powers and duties. Main section comes from section 7, which we have already discussed. It talks about supply, basic concept of supply, what supply covers and 3 schedule. After section 7, we talk about section 8 also, which deals with composite supply and mixed supply. And then section 9 is charging section.

So, in this session, we will talk about registration under GST. Why registration is required? When it is required? And who is supposed to take registration under GST?

I mentioned when we were discussing supply, that supply has vast subject, vast area covered. Similarly, in registration also, many business entities, many transactions are subject to GST registration. So, unless you have registration, you cannot deal or you cannot transact any business entities, business transactions in the country. So, registration is very very important from practitioners point of view, from business point of view, from stakeholders government point of view like this. So, let us see what is there in registration.



Section 22 onwards, there are provisions for GST till section 30. And important question now comes, who is liable to obtain registration under GST? Means I am a business entity, I am a businessman, I have shop around the corner of a street. Should I take GST number? Or if we do not, what happens? If I got myself registered, what will happen? So, as and when you are thinking of starting business or thinking of providing some sort of services, maybe drycleaner services, maybe barber services, maybe some industrial process services, maybe IT based services, whatever you, if GST registration is required, if so, when? So, we will discuss various provisions of GST registration under CGST Act section 22 onwards. Who is liable to obtain registration?

And very simple provision and very first provision of GST law it says, person supplying goods and services or both and if his aggregate turnover exceeds 20 lakh rupees. So, in simple words, if

any person doing business, maybe supplying goods or supplying services, maybe a manufacturer, maybe a trader, if his annual aggregate turnover is more than 20 lakh rupees, he is supposed to take registration. In states of special category like Mizoram, Himachal, Arunachal, like this, the threshold limit is 10 lakh rupees. So, the person who is having turnover in these states 10 lakh rupees or more, he is supposed to take GST registration. The threshold limit again depends on state to state varies.

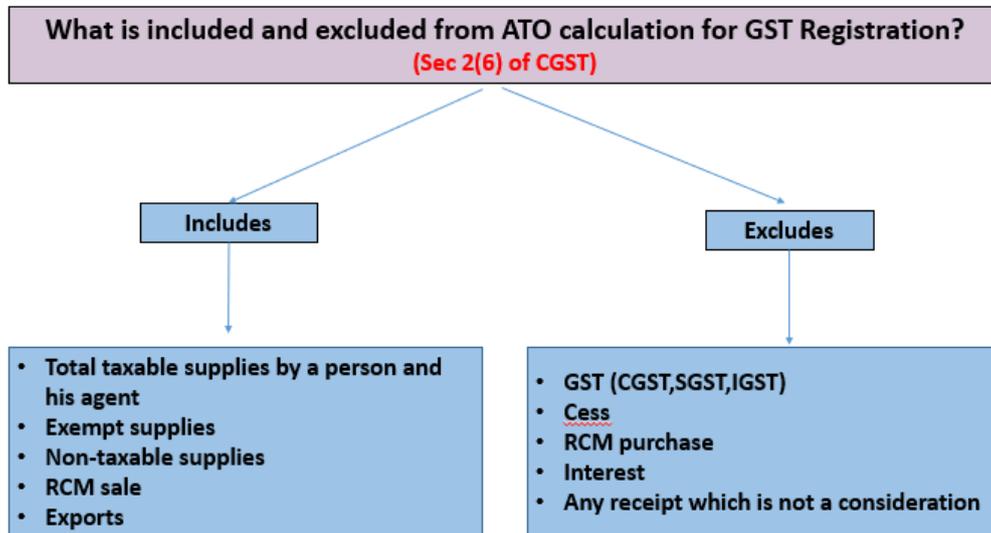
Some states may from 10 lakh to they can keep at 20 also. But in rest of the country or in general, it is 10 lakh rupees. So, whenever you are starting your business, may be service provider, may be trader or manufacturer, when your turnover increases, Increase the figure of 20 lakh rupees a year, you are supposed to take GST recession. There is another clause friends. It says if any person, businessman of course, deals exclusively in goods, means he is simply a trader. He does not have any income from any other source like rent income or commission income. If he is not having any such income and is dealing with goods only, simply a trader, in that case, he is required to take GST restriction if his annual aggregate turnover increases 40 lakh rupees. In normal circumstances, 20 lakh rupees. But if you are purely, exclusively dealing with goods, no any other income during the year, turnover is, threshold limit is 40 lakh rupees.

So, if your turnover during the year increases and cross the figure of 40 lakh, you are supposed to take registration. So, this clause is dangerous also. Danger in the sense, some people says I am purely dealing in goods, so there is no need. But friends, if you have income from rent, if you have income from commission, May be once in a year, if through a single transaction you have income of commission for rupees 1, for 1 rupee only, even then you are not fall under this category, you fall under the category of 20 lakh rupees. So, we have to be very very careful when we are choosing for 40 lakh rupees threshold limit, especially the trader. So, if you have rent income, you have commission income, you have some other income, you cannot go for 40 lakh rupees. Yes, if you have income from interest on FD, interest on savings, then this 40 lakh rupees does not affect.

You can have 40 lakh rupees threshold limit because for this purpose in aggregate turnover, your rent, your sorry, dividend, your interest from FD or interest on savings is not included in your turnover. So, meaning thereby, in normal circumstances, 20 lakh is the limit. If it increases your turnover more than 20 lakh rupees, definitely you are supposed to take GST number. If your turnover is 40 lakh, then you are supposed to be exclusively dealing goods. There is no income from commission or renter or other. And otherwise, also you can go for GST registration voluntarily. So, once you have obtained registration voluntarily, then all provisions of this Act will be applicable. Then you cannot say that I have taken GST registration voluntarily and my turnover is zero or very negligible. So, I need not to file returns. It is not like that.

Once you have taken registration, maybe voluntarily, all provisions of this Act will be applicable. So, you have to do every compliance under the law maybe for small amount. So, friends, who is eligible

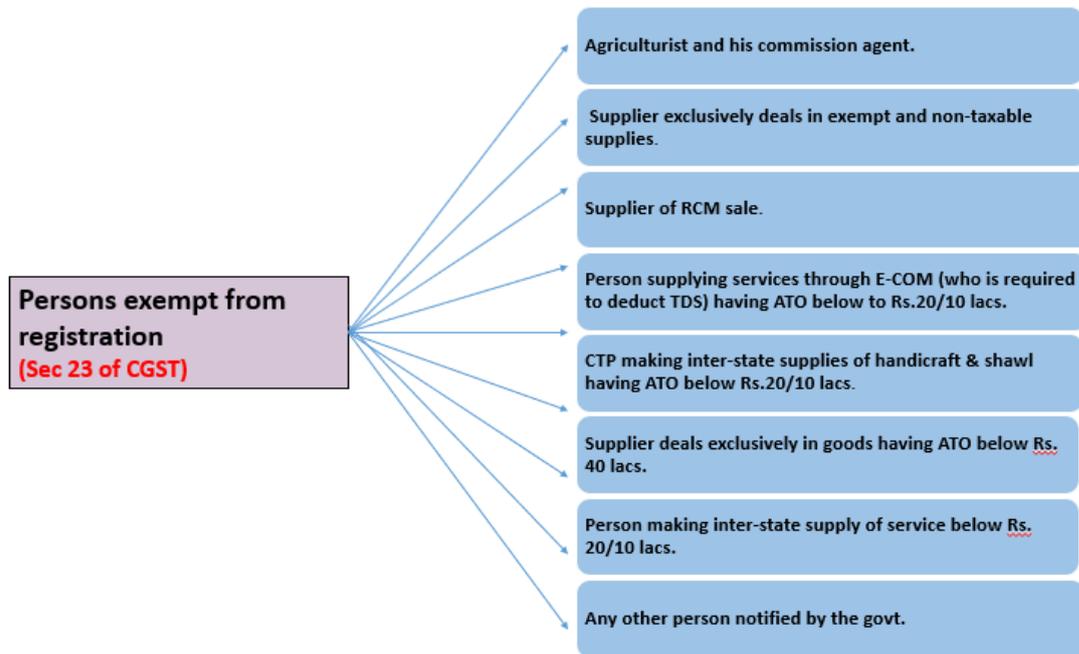
for GST registration or who has to obtain registration? Person who is having turnover more than 20 lakh rupees and if he is a purely trader in goods, 40 lakh rupees, otherwise voluntarily he can obtain registration under GST section 22.



Aggregate turnover is very important question here. What is included in aggregate turnover and what is not included in aggregate turnover?

I mentioned previous slide also. So, section 2, sub-section 6, I told you that definition section are very very important. So, in definition section, sub-section 6 talk about aggregate turnover of CGST Act. So, for registration purposes, aggregate turnover includes supply of our taxable goods by person or resident; Exempt supplies means supply of exempted goods; Non-taxable supplies, there are some non-taxable supply which are outside the preview of GST; RCM sales means where tax is paid by recipient; and exports. So, putting all things together, if your turnover is more than 20 lakh rupees, you are supposed to take GST number, you are supposed to obtain GST registration.

And in aggregate turnover, taxes of CGST, SGST, IGST need not to be included. Cess need not to be added. RCM purchases need not to be taken into account. Interest received by you, FD saving need not to be added. Any receipt which is not a consideration. Anything which you have received which is not for a consideration means against supply of any goods or services. That will be out of aggregate turnover. Rest will be included in aggregate turnover and if it is more than 40 lakh rupees, then and you are only and only dealing with goods; Yes, you need to obtain GST registration or if it is more than 20 lakh rupees, you need to obtain registration.

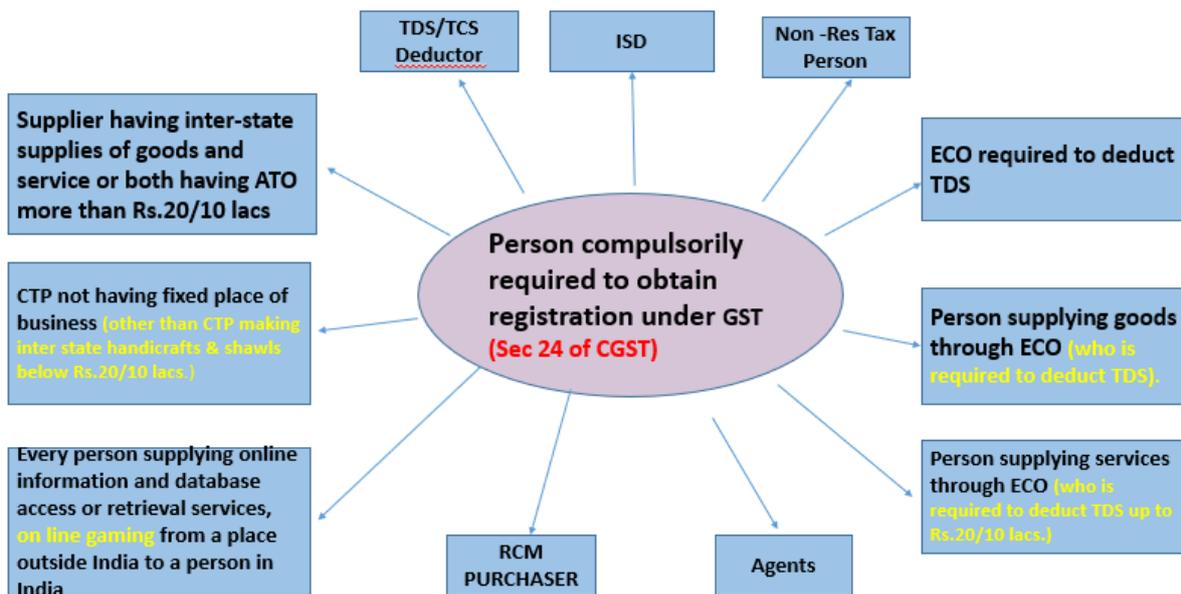


There are some persons under Section 23 of CGST Act, those have been exempted from obtaining GST registration. Means, in normal circumstances, every businessman, every business entity is supposed to take GST registration if their turnover is more than 20 lakh rupees or 40 lakh rupees, either case may be. But there are some person, those have been exempted from taking GST registration number, though they have more than 20 lakh rupees of their turnover.

And these are, number one, agriculturalist and his commission agent. So, any person who is having income from agriculture produce and he is getting crops, vegetables, fruits from agriculture, they are not supposed to take GST registration under GST. And their products are also exempted from GST. Then suppliers exclusively deal in exempt and non-taxable supplies. Means there are cases, there are businesses, those are having goods which are exempted from GST or their products are of the nature of non-GST turnover. If they are exclusively dealing in these goods, they need not to take GST registration, though their turnover is more than 20 lakh rupees. Supplier of RCM sale. If your product is in such a way that you are exempted from GST tax, but your buyer is supposed to pay tax on that reverse charge mechanism. So, if your outward supply is purely covered under RC mechanism of GST under section 9 sub-section 4 or under section 9 sub-section 5 of CGST Act, then you need not to take registration because in that case your buyer will pay tax; it is under reverse charge mechanism. then next, person supplying services through e-commerce who is required to deduct TDS having aggregate turnover below 20 lakh or 10 lakh rupees. So, any person who is supplying goods or services

online, e-commerce operators, those are deducting TDS provisions are there in GST for TDS also. They are not supposed to take GST registration. Then Casual Tax Payer (CTP). Casual Tax Payer making inter-state supplies of handicraft goods, having aggregate turnover below 20 lakh rupees or 10 lakh rupees as the case may be.

So, casual taxpayer person is a person who is not having regular GST number in particular state, but he is going there to take part in exhibitions, in fairs and displaying their goods over there and paying and selling goods there through exhibitions and dealing with handicraft goods only, but their turnover is less than 10 lakh rupees or 20 lakh rupees. They are not supposed to take GST number. Supplier deals exclusively in goods having aggregate turnover below 40 lakh rupees. I already explained you. In that case also, if your turnover is up to 40 lakh and you do not have any other income, need not to have GST number. Person making interest rate supply of services below 20 lakh rupees. If your turnover is below then or less than 20 lakh rupees and you are having supply of services may be interest rate on interest rate, you need not to apply for GST number. Any other person as may be notified by the government. Government from time to time may notify any person and exempting that particular person for obtaining GST number.

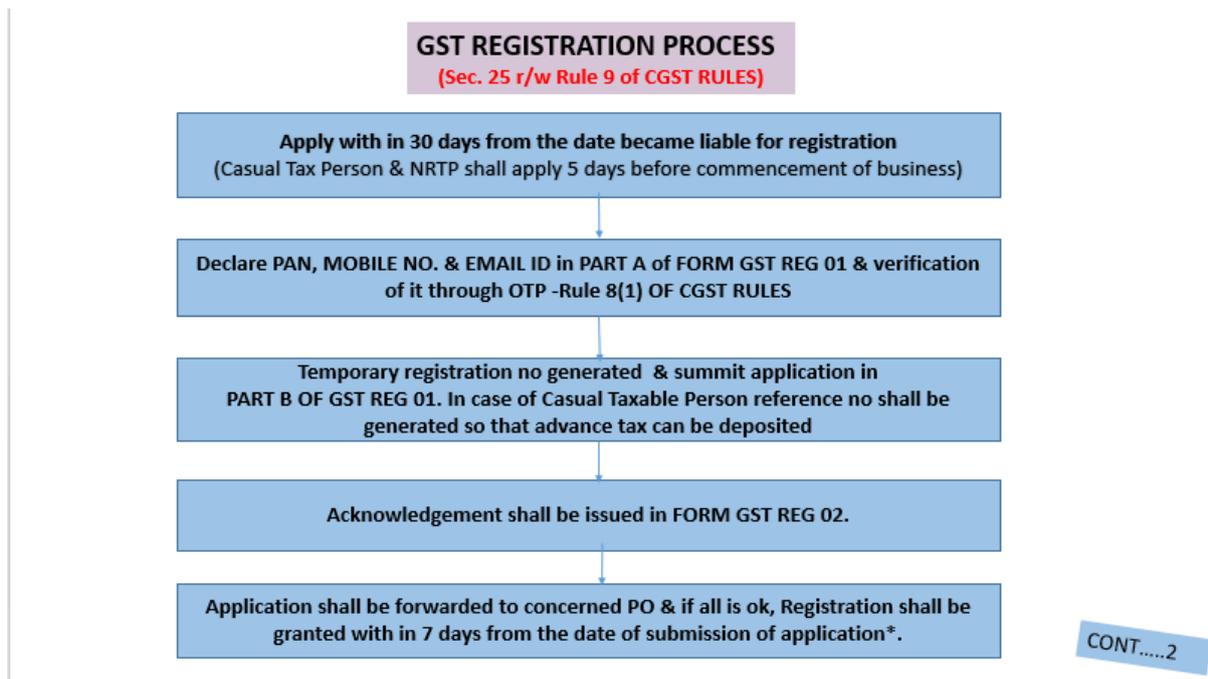


Friends, section 24 deals with such person, such cases where you need to have GST registration irrespective of your turnover. Means, means if you have turnover of rupees 1 only and you fall under section 24 category, you are supposed to obtain GST number. Means, if any person who is selling his products through e-commerce operators; we have seen there are so many e-commerce operators operating in the market and selling products of different vendors. So, all

these e-commerce operators, they are supposed to obtain GST number and also it is mandatory for their vendors to obtain GST number. So, meaning thereby, if any person wants to sell his product through e-commerce operator, this vendor may be having turnover of rupees 5 only a year, he has to obtain GST number, otherwise he cannot sell his product through e-commerce operator.

Then ISD; here is a concept of ISD for big corporate houses under GST under section 21. So, any person falls under this category, they also need to have GST number. Then non-resident taxable person means any person from outside India selling goods into India through online services or otherwise is supposed to obtain GST number in India may be by him directly or through his representative. Then e-commerce operator required to deduct TDS, I already explained you. E-commerce operator is also required to obtain GST number. Then person supplying goods through e-commerce operator, I told you the vendors, those are selling goods, they need to obtain GST number. Person supplying services through e-commerce operator, they are also covered under compulsory category of GST registration. Then agents, agents of any principle, they are supposed to obtain GST number because their turnover is linked with their principles. So, if you are a principal or you have agents, then all agents must have GST number.

RCM purchaser, those people, those are buying things under RCM mechanism, they are supposed to take GST number. Then every person supplying online information, data, assess services like online gaming and all, they are supposed to take GST number under GST registration. Casual Taxable Person not having fixed place of business, they are supposed to whenever they are going for any exhibition or some fair etc., they are supposed to take GST number without failure. Supplier having inter-state supply of goods. Any person having inter-state supply of goods and services and its turnover is more than 20 lakh rupees or 10 lakh rupees, they are supposed to obtain GST number. So, these are some person for whom it is compulsory to obtain GST number. Otherwise, they cannot transact under GST and if they do, they will be penalized heavily. It is in violation of law as per GST provisions.



So, friends, when I started business and I was not aware how much the turnover will be during the financial year? Suppose today we are in financial year 24-25. So, if I started business during April 24, I am not aware of when the turnover will increase and if it will go up to 20 lakh rupees or so, when GST number will be required to obtain or not. So, what is to be done? What should be my decision of getting number or not? So, one option is go for registration number, whether your turnover is 1000 rupees only, 2000 rupees only, 5000 rupees only. Because you are not aware if my turnover will go beyond 20 lakh rupees or not during the year. But you took the decision that yes, I am starting my business as a company. So, if you are going for a company, your registration number is compulsory. Because when you go to bank for open account, bank will ask you for GST number.

Similarly, partnership firm, GST number is required. Yes, for sole proprietorship, they may not ask number. No problem Now the provision is, you can open bank account, you can have GST number, but in GST number details, means at GST portal, you have to complete the formality, you have to provide bank details within 30 days from the registration number. If your turnover is less than 20 lakh rupees, but you have obtained GST number, you have to follow the same procedure if your turnover is more than 20 lakh rupees you will adopt. So, let us see you started business in April 24 and your turnover touches the figure of 20 lakh rupees in the month of December, December 2024. So, now what?

So, law says the day your turnover touches the figure of 20 lakh rupees you are supposed to apply for GST number within 30 days from that date. So, if your turnover touches the figure of 20 lakh rupees as on 15th of December 2024, so by 14th of the next month, you are supposed to take GST registration number. And if you have decided to take GST number immediately when you are starting your business, then again it should be within 30 days from the start of your business. So period is 30 days when you are supposed to take GST number and for GST number you are supposed to log into GST portal. They are asking some information from your business means your mobile number, your email id, then another window is there then you have to fill the details of your business. We will discuss everything in this process. So, section 25 read with Rule 9 of CGST Act. It talks about the basic procedure of GST number, how GST number will be obtained when any person means company, individual, partnership, association of person or any other business entity starts their business and how they will get GST number. So, it says you have to apply within 30 days from the date you become liable for registration.

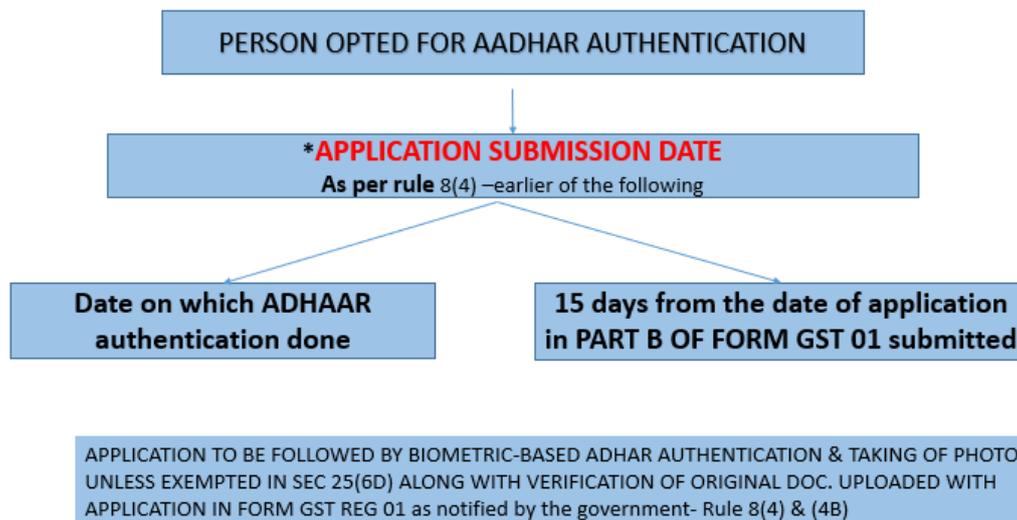
If you have decided to take it from very first day of your business, then the date of start of your business, your time start from then. And otherwise, when you cross the limit of 20 lakh rupees, within 30 days from that date, you are supposed to take and apply for GST registration number. And if you are Casual Taxable Person, then of course, before five days from the start of your exhibition, you are supposed to apply to the state GST authorities for Casual Taxable Person Number. So, when you apply for GST registration by visiting GST portal, you are supposed to declare there your PAN number, your mobile number, your e-mail ID in part A of the form GST registration 01. It is a window based form at GST portal. You have to fill the details one by one. And once you will give your PAN number, your e-mail ID, your mobile number, OTP will come. And after sharing this OTP, you are supposed to get registered with your portal.

It is not a registration number. You are registered with the portal. After having this process, you will be getting one temporary number, which is known as temporary registration number. And then you have to go to another part, part B. So, for a normal taxpayer, in part B, you will be declaring your all business and your information, promoters' information, directors' information as the case may be. And if you are a casual taxable person, means you are going for a particular exhibition in another state where you do not have any GST or otherwise you are not having any business establishment, you are pursuing for casual taxable person, then temporary decision number will be generated and submit an application in part B by giving basic details of your business on portal. And for casual person, there is a need of depositing tax

in advance. So, once this number is generated, casual taxable person is supposed to pay based upon his estimates certain amount of GST to the tax authorities.

After depositing that amount, GST authority will sanction or allow you to have GST number, which is casual GST number, casual taxable person in that particular state for that particular exhibition. And once this number is allotted to you, you can make sales at exhibitions of your products. And when this exhibition is over, you are supposed to approach tax authorities and show them your stock you brought to the exhibition, how much is sold and what is balanced with you and what is your actual tax liability. And after determining the actual tax liability, deduct the advance tax you have already paid on estimate basis and balance amount will be paid and then tax authority will allow you to go from the state. This is the procedure for casual taxable persons. Maybe he is from India, maybe he is from outside India.

In other cases, where you are a regular taxable person in the state and you are starting business or your turnover has crossed the limit of 20 lakh rupees, then what? So, friends, once you have uploaded your all business details, if you are a sole proprietorship, you are supposed to declare their name of the person, trade name of the person, your address, your premises located area, your bank details, your products you are dealing with trade or tax applicable, etc., etc. And if your everything is fine and correct as per the portal or the department, your registration will be granted within seven days.



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And GST registration now, Aadhaar authentication is also made mandatorily. The option is there. If your registration is done with Aadhaar authenticity, then you will get your registration

early. Otherwise, department may go for physical verification of your premises at the location where you have put your business in line, where your business is going on.

And after physical verification of the officer from the department, they will allow you GST registration and it may take 15 days time. So, if you are having Aadhaar, better go for Aadhaar Authenticity and based on that, your registration will be available within seven days, otherwise, it may take 15 or more days. And if you are going for Aadhaar authenticity, because in law, law says once your application is submitted, you will get registration within seven days and seven days from which date? So, law says if you are opting for Aadhaar authentication, then date on which the Aadhaar authentication is done, you will get registration within 7 days from that date, otherwise, maybe for more than 15 days.