

COMPULSORY REGISTRATION IN CERTAIN CASES [SECTION 24]

As we have seen that a supplier is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods and/ or services only if his aggregate turnover in a financial year exceeds the applicable threshold limit. However, there are certain cases wherein a supplier is mandatorily required to obtain registration irrespective of his aggregate turnover. **In other words, there are the cases wherein a supplier is compulsorily required to obtain registration even though his aggregate turnover does not exceed the applicable threshold limit.** However, there are certain exemptions from registration which have also been provided under section 23 (beyond the scope of your syllabus)

The categories of persons requiring compulsory registration under GST have been enlisted below:

1. **Persons making any inter-State taxable supply.** However, threshold limit of Rs.20 lakh (**Rs.10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland**) is available in case of inter-State supply of **Taxable Services** and of notified handicraft goods.
2. **Casual taxable persons (CTP) making taxable supply.** However, threshold limit of Rs.20 lakh (**Rs.10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland**) is available in case of CTP who is making inter-State taxable supplies of notified handicraft goods and availing the benefit of exemption from registration as mentioned in point 1 above.
3. **Persons who are required to pay tax under reverse charge.** However, **persons engaged exclusively in making supplies**, tax on which is liable to be paid on reverse charge basis are exempt from registration.
4. **Non-resident taxable persons (NRTP) making taxable supply.**
5. **E-commerce:** (i) Every ECO (Electronic Commerce Operator) **who is required to collect tax at source under section 52**, (ii) persons who supply goods and/ or services, other than supplies specified under section 9(5), through such ECO who is required to collect tax at source under section 52, but threshold limit of Rs.20 lakh (**Rs.10 lakh in case of Special Category States of Mizoram, Tripura, Manipur and Nagaland**) is available in case of suppliers supplying **services** through ECO.
6. **Persons who are required to deduct tax under section 51, whether or not separately registered under this Act.**
7. **Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise.**
8. **Input Service Distributor, whether or not separately registered under this Act.**
9. **Every person supplying online information and data base access or retrieval(OIDAR) services from a place outside India to a person in India, other than a registered person.**
10. **Person who are required to pay tax under reverse charge under section 9(5) and**
11. **Such other person or class of person as may be notified by the Government on the recommendations of the Council.**

Casual Taxable Person: CGST Act defines Casual Taxable Person (CTP) as a person who occasionally undertakes transactions involving supply of goods or services or both in 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.** He cannot exercise the option to pay tax under composition levy.

Example10: Karmakar & Co., engaged in supplying taxable goods, is registered in West Bengal. It wishes to participate in a business exhibition being held in Delhi. However, it does not have a fixed place of business in Delhi. In this case, Karmakar & Co. has to obtain registration as a casual taxable person in Delhi.

Non-Resident Taxable Person (NRTP): A person who is a foreigner and occasionally wants to effect taxable supplies from any State in India needs GST registration for the same. Such person needs to register in the State from where he seeks to supply as a non-resident taxable person. CGST Act defines NRTP as 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.** He cannot exercise the option to pay tax under composition levy.

PROCEDURE FOR REGISTRATION

Procedure for registration is governed by section 25 of the CGST Act read with relevant CGST Rules, 2017. Around 30 forms/ formats have been prescribed in the CGST Rules, 2017. For every process in the registration chain such as application for registration, acknowledgement, query, rejection, registration certificate, show cause notice for cancellation, reply, cancellation, amendment, field visit report etc., there are standard formats. This makes the process uniform all over the country.

According to section 25(1) the following persons should make application for registration as per table below:

Particulars	Where	When
Person who is liable to be registered under section 22 or 24	In every such State/ UT in which he is so liable	Within 30 days from the date on which he becomes liable to registration
A casual taxable person or a non-resident taxable person	In every such State/ UT in which he is so liable	At least 5 days prior to the commencement of business.
Every person who makes a supply from the territorial waters of India	In the coastal State/UT where the nearest point of the appropriate base line is located	Within 30 days from the date on which he becomes liable to registration.

Example: Sujan Services Ltd. is engaged in taxable supply of services in Delhi. The turnover of Sujan Services Ltd. exceeds Rs.20 lakh on 1st September. It is liable to get registered by 1st October in Delhi.

The following points also to be kept in mind while considering the procedure for registration:

- One registration per State, i.e. registration needs to be taken State-wise; there are no centralized registrations under GST. [Section 25(2) read with rule 11]
- Separate registration for different places of business within a State/UT may be granted
- Registration under composition levy: (i) If a person is paying tax for one of his places of business under normal scheme, he shall not pay tax under composition levy for any other place of business. (ii) If one of the places of business[separately registered] of a registered person becomes ineligible to pay tax under composition levy, all other registered places of business of said person would also become ineligible to pay tax under composition levy. (iii) The provisions of rules 9 and 10 relating to verification and grant of registration shall mutatis mutandis apply to an application submitted under this rule.
- Voluntary registration – 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.[Section 25(3)]
- Persons having more than one registration – Each such registration to be treated as Distinct Persons.[Section 25(4)]
- 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.[Section 25(5)]
- PAN must for obtaining registration – A Permanent Account Number is mandatory to be eligible for grant of registration. A NRTP may be granted registration on the basis of other prescribed documents.[Section 25(6) & (7)]
- Unique Identity Number (UIN) to be granted to specialized agency of UNO/ Consulate/ Embassy of foreign country/ other notified persons. A person having UIN is not registered person and thus is not a taxable person.[Section 25(9) & (10) read with rule 17]
- The registration or the UIN shall be granted or rejected after due verification within 3 working days from the date of submission of application.
- **Procedure for registration [Section 25 read with rules 8,9 and 10]:**

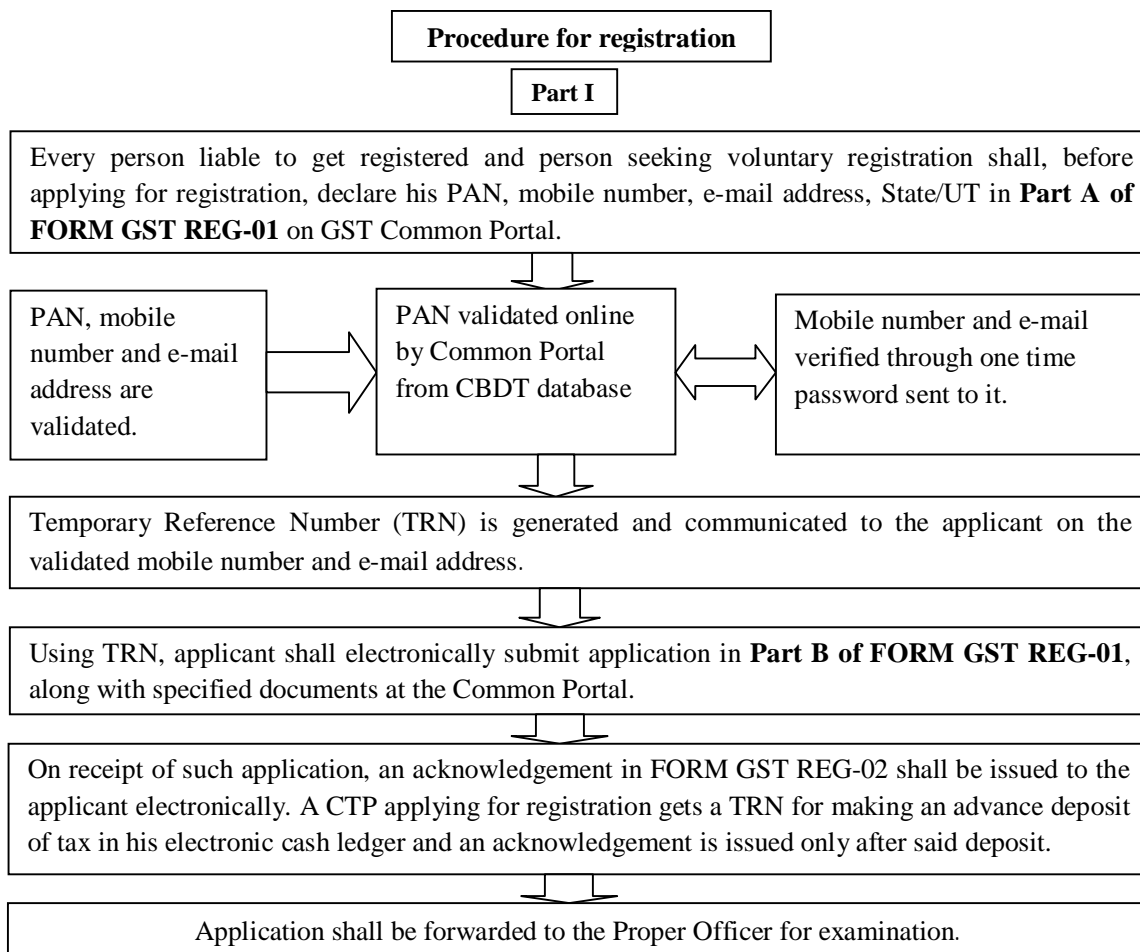
Provisions relating to procedure for application for registration, verification of the application and approval and issue of registration certificate are contained in the rules 8,9 and 10 of the CGST Rules, 2017 respectively. The

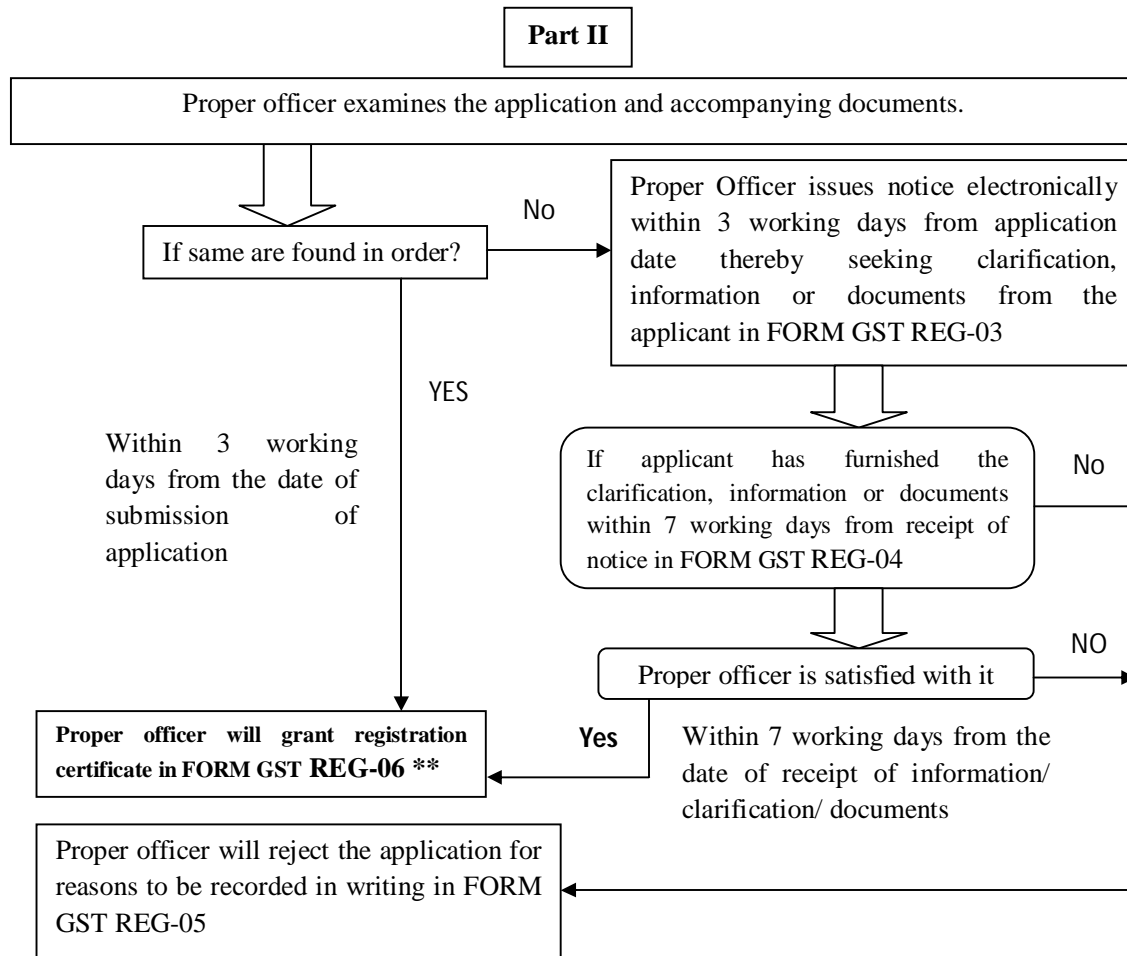
same have to be read in conjunction with section 25 provisions. **However, procedure so laid down will not apply to:**

- **Non-resident taxable person**
- **A person required to deduct tax at source under section 51**
- **A person required to collect tax at source under section 52**
- **A person supplying online information and database access or retrieval (OIDAR) services from a place outside India to a non-taxable online recipient referred to in section 14 of IGST Act who is liable to be registered under section 25(1).**

Thus, procedure for registration prescribed under rules 8, 9 and 10 are also applicable to a person paying tax under composition levy, every person seeking voluntary registration, as well as a casual taxable person. Such persons shall apply for registration in Form GST REG 01. The application for registration in GST Form REG 01 is divided into two parts – Part A and Part B.

Procedure for registration has been depicted by way of a diagram below:





Deemed Approval of Application: if the proper officer fails to take any action –

- **within 3 working days from the date of submission of application, or**
- **within 7 working days from the date of receipt of clarification, information or documents furnished by the applicant,**

the application for grant of registration shall be deemed to have been approved.

**** Issuance of registration certificate [Rule 10] :** Where the application for grant of registration has been approved, a certificate of registration [duly signed or verified through EVC by the proper officer] in FORM GST REG – 06 showing the principal place of business (PPoB) and additional place(s) of business (APoB) is made available to the applicant on the Common Portal and a Goods and Services Tax Identification Number (hereinafter referred to as GSTIN) i.e. the GST registration number is communicated to the applicant, within 3 days after the grant of registration.

GSTIN format

State Code	PAN										Entity Code	Check sum character

Effective date of registration (Rule 10): Where an applicant submits application for registration -

Within 30 days from the date he becomes liable to registration – the date on which he becomes liable for registration.

After 30 days from the date he becomes liable to registration – the date of grant of registration.