

Goods and Service Tax



Day 1



By

CA Pawan Kumar Rastogi

9810280322

pr@pawanrastogi.com; www.gsthelpline.net

Goods and Service Tax



Day 1 Session I **GST OVERVIEW**



New Concepts under GST

- Consumption based tax
- No Tax Burdon on Manufacturing and Sale ; Tax Burdon shifted to SUPPLY
- Concept of CGST + SGST
- Concept of IGST
- Matching Concept

New Concepts under GST

- Omnibus Threshold Exemption
 - Purchase from Unregistered Dealers exempted upto Rs. 5000 per day. 08/2017 dt 28th Jun 2017, Central Tax Notification (Rate)
- GTA
 - Under reverse charge
 - Rate of Tax 5%
 - Input (ITC) allowed to Recipient of Service of GTA
- Rate 18% applicable to Goods Transport Service (other than GTA) under forward charge.
- “Goods Transport Agency” means any person who provides service in relation to transport of goods by road and issues consignment note, by whatever name called.

New Concepts under GST

- IGST is Washout Tax
- If no Provisional ID under GST is received, Registered Person liable to migrate under GST can issue invoice with Stamp “Provisional ID not received” and with TIN number.
- E Way Bill
 - No notification for continuation of Road Permit as applicable in Pre-GST regime.
 - If no notification is issue, Material can be transported with TAX INVOICE / BILL OF SUPPLY / DELIVERY CHALLAN etc.
- C Forms etc. to continue for Non-GST items like Petrol etc.
- Export procedure to continue for one month (July 2017).
[Bond / LUT notified vide Notification 15/2017 dt 01/07/2017](#)

New Concepts under GST

- Single Registration in one State
- Multiple Registration in a State Possible only in case of Different Business Vertical
- Separate Registration in Different States
- Smooth Credit of Input Tax
- “In the course or furtherance of business” new concept for ITC
- Matching Concept / Output Supplies-Input Supplies
- “SUPPLY” new taxable event. Manufacturing and Sales no more taxable event.
- Stock Transfer to Branch taxable under GST
- GST Compliance Rating
- Information Return (Section 150)

New Concepts under GST

- GST Liability on advance received
 - (Mandatory no cut off / threshold)
- No revision of any Return
 - Only Rectification allowed by way of Debit Note or Credit Note
- Interest and /or Penalties Mandatory
 - Auto populated on GSTN
- Strict Deadlines – No excuse
 - Fixed Dated for all activities
- Tax deposit is not Tax Payment / discharge of liability
 - Liability need to be discharged on GSTN
- Official E-Mail and /or Mobile – official communication channel

New Concepts under GST

- Transaction-wise (Invoice Wise/ HSN Code wise) entry of all transaction effecting GST
- In case of GST on Supply of Services
 - Sequential invoicing with mandatory GST Number (for B2B customer)
- In case of GST on Purchase of Goods from unregistered Dealer
 - Sequential purchase invoicing for all such transaction
- GST on all items (not restricted to purchase of Trading items/Stores)
 - All items impacting expense side in excess of Rs. 5000 per day
- Different Registrations in a State will be treated as distinct taxable person

Concept of Supply – Section 7

Section 7 - Meaning and scope of supply

Section 7(1)(a)	Section 7(1)(b)	Section 7(1)(c)	Section 7(1)(c)
<p>All forms of supply of goods and/or services, -for consideration - in the course / furtherance of business such as:</p> <ul style="list-style-type: none"> - sale, - transfer, - barter, - exchange, - license, - rental, - lease or - disposal 	<p>Importation of service, - for a consideration - whether or not in the course or furtherance of business</p>	<p>Supplies specified* - To be treated as supplies made without a consideration <u>*Schedule I:</u></p> <ol style="list-style-type: none"> i. Permanent Trf. where ITC availed. ii. Between related persons iii. Agent to Principal iv. Import of services by taxable person from related person. 	<p>The activities to be treated as</p> <ul style="list-style-type: none"> • supply of goods or • supply of services as referred to in <u>Schedule II.</u> <ol style="list-style-type: none"> i. Lessee etc. service ii. Business Assets put to pvt use – service iii. Work Contract – service iv. Implementation of IT S/w – service v. Construction – No GST if 1st occupancy /completion

Anti-profiteering measures

(1) Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices.

(2) The Central Government may, on recommendations of the Council, by notification, constitute an Authority, or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

(3) The Authority referred to in sub-section (2) shall exercise such powers and discharge such functions as may be prescribed.

Applicability of GST

- To all registered with Central Excise / Service Tax / State VAT
- If aggregate turnover is less than Rs. 20 Lacs
GST REG 29 to be filed within 30 days
will be deemed as he was not registered in GST ever.
- If liable to registration,
GST REG 26 need to be filed within 90 days

Accounts and Records to be maintained by registered person

Every registered person

shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of—

- (a) inward and outward supply of goods or services or both;
- (b) stock of goods;
- (c) *input tax credit availed;*
- (d) output tax payable and paid; and
- (e) such other particulars as may be prescribed: (as per Rules)

Provided that where *more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business.*

Accounts and Records to be maintained by registered person (Rules)

(1) Every registered person shall keep and maintain, in addition to the previous slide,

a true and correct account of the goods or services attracting payment of tax on **reverse charge** along with relevant documents , including

invoices,

bills of supply,

delivery challans,

credit notes, debit notes,

receipt vouchers,

payment vouchers,

refund vouchers and

e-way bills.

Accounts and Records to be maintained by registered person (Rules)

- (2) Every registered person, shall maintain ***accounts of stock in respect of goods received and supplied by him***, and such account shall contain particulars of
opening balance,
receipt,
supply,
goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and
balance of stock including raw material, finished goods, scrap and wastage thereof.
- (3) Every registered person shall keep and maintain a **separate account of advances received, paid and adjustments** made thereto.

Accounts and Records to be maintained by registered person (Rules)

- *Any entry in registers, accounts and documents shall not be erased, effaced or overwritten, and all incorrect entries, otherwise than those of clerical nature, shall be scored out under attestation and there after correct entry shall be recorded and where the registers and other documents are maintained electronically, a log of every entry edited or deleted shall be maintained.*
- Each volume of books of account maintained manually by the registered person shall be serially numbered.

Returns under GST

- Mandatory even if No transaction
 - NIL return is mandatory
- No Revision , only Rectification (in the current month)

Strict Dates

- GSTR 1 10th Outward Supply of Goods and/or Services
- GSTR2A 11th to 15th Matching of Inward Supplies
- GSTR 2 15th Final matched Inward Supplies
- GSTR1A 16th to 17th Correction in GSTR1
- GSTR 3 20th Monthly Return based on GSTR1 & GSTR2

Returns under GST

Invoice Level reporting of certain details

GSTR-1 would capture invoice level supply information pertaining to tax period separately for goods and services.

B2B Supplies – both interstate and intrastate

B2C Supplies –

Intra state - aggregated taxable value, tax rate wise.

Inter-state – Invoice wise for value more than 250,000

Name and address of the recipient and the address of delivery, if such recipient is un-registered and value is Rs. 50000 or more.

Returns under GST

HSN Level reporting of certain details

GSTR-1 would HSN / SAC level supply information pertaining to tax period separately for goods and services.

Aggregate Turnover < 1.5 Cr. – not mandatory

Aggregate Turnover 1.5 Cr. To 5 Cr. – 2 digit chapter level
optional for first year

Aggregate Turnover > 5 Cr. – 4 digits mandatory

All exports including above categories- 8 digit HSN mandatory

GSTN – Prototype – Return interface

Dashboard : File Returns

Goods and Services Tax

Dashboard Services Notifications & Circulars Acts & Rules Downloads

Dashboard > Returns

File Returns

Financial Year 2016-2017 Return Filing Period Jan SEARCH

Outward supplies made by the taxpayer (GSTR 1)
Due Date - 10/05/2016
PREPARE ONLINE UPLOAD

Inward supplies received by taxpayer (GSTR 2)
Due Date - 15/05/2016
PREPARE ONLINE UPLOAD

Monthly Return (GSTR 3)
Due Date - 20/05/2016
GENERATE

TDS Return (GSTR 7)
Due Date - 10/05/2016
PREPARE ONLINE UPLOAD

Through Returns Dashboard you can see the summary of Returns as well as prepare and upload them online.

6

GSTN – Prototype – Return interface

GSTR - 1

Goods and Services Tax

Dashboard Services Notifications & Circulars Acts & Rules Downloads

Dashboard > Returns > GSTR-1

GSTR-1 - Outward Supplies made by the Taxpayer

GSTIN - 29ADEC9084R5Z4 Business Name - Stark Pvt Ltd.
 FY - 2016-17 Return Period - April Status - Pending Due Date - 10/05/2016
 Gross Turnover of the taxpayer in the previous financial year SAVE Total Tax Liability ₹1,84,32,622

GSTR-1 - Invoice Details

Section	Count	Pending for Action	Invoice Value	Taxable Value	Tax Liability
B2B Invoices Section 5	11	0	₹45,01,660	₹37,51,383	₹7,50,277
Amended B2B Invoices Section 5A	1	0	₹2,42,810	₹2,02,342	₹40,468
B2C (Large) Invoices Section 6	3	NA	₹99,97,000	₹8,33,083	₹1,66,617
Amended B2C (Large) Invoices Section 6A	1	NA	₹58,07,600	₹58,07,600	₹5,80,760
Credit / Debit Notes Section 8	3	0	(₹5,000)	(₹1,000)	
Amended Credit / Debit Notes Section 8A	1	0	(₹50,000)	(₹10,000)	
Exports Invoices Section 10	3	NA	₹12,50,000	-	-
Amended Exports Invoices Section 10A	1	NA	₹6,50,000	₹5,41,667	-

9

This section shows the Summary of various tables of GSTR - 1.

Goods and Service Tax



Day 1 Session II

GST Constitutional Validity



CONSTITUTIONAL VALIDITY

NEED FOR Constitutional Amendment

Taxation powers distributed between Centre & States

Centre levies

- duty on manufacture (except alcohol for human consumption)

- services tax

- levies CST (retained by originating States) on inter State sales

State levies

- VAT on intra-State sales

- Entry tax / Octroi/ Luxury tax, etc.

Constitutional Amendment required for assigning concurrent powers to Centre and States to levy GST on all supplies

CONSTITUTIONAL VALIDITY

CONSTITUTIONAL BILL

passed by Rajya Sabha on 03.08.2016 & Lok Sabha on 08.08.2016

Notified as Constitution (101st Amendment) Act, 2016 on 08.09.2016

Key Features:

Concurrent jurisdiction for levy & collection of GST by the Centre & the States – Article 246A

Centre to levy & collect IGST on supplies in the course of inter-State trade or commerce including imports – Article 269A

CONSTITUTIONAL AMENDMENT ACT

- Compensation for loss of revenue to States for 5 years on recommendation of GST Council – Clause 18 of The Constitutional Amendment Act 2016

“Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years.”

- GST on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas & aviation turbine fuel to be levied from a later date on recommendations of GST Council. (Change in Schedule VII).

CONSTITUTIONAL AMENDMENT ACT

GST Council - Article 279A

- To be constituted by the President within 60 days from the coming into force of the Constitution Amendment
 - Consists of Union FM & Union MOS (Rev)
 - Consists of Ministers in charge of Finance / Taxation of each State
 - Chairperson – Union FM
 - Vice Chairperson - to be chosen amongst the Ministers of State Government
- Quorum is 50% of total members
- Decisions by majority of 75% of weighted votes of members present & voting (Centre plus 20 States)

DECISION MAKING IN COUNCIL

GST Council - Article 279A

Weightage of votes:

- Centre – 1/3 rd of total votes cast
- States (all taken together) – 2/3 rd of total votes cast

Council to be guided by need for

- a harmonized structure of GST; and
- a harmonized national market for goods & services

Council to make recommendations on

- Taxes to be subsumed in GST
- Exemptions & thresholds
- GST rates
- Model GST Law & procedures

COMPLEX CHALLENGE

- To ensure that a taxpayer has interface with only 1 of the 2 tax admins — Centre or the state in the both the cases of intra & inter-state supplies.
- The GST Council, after its IX meeting, resolve it through cross-empowerment of the states by the Centre and vice versa through following decisions.
- For intra-state supplies by the taxpayers below the threshold of Rs 1.5 cr, the decision was that the states would administer both SGST and CGST for 90 % taxpayers, leaving the balance 10 % for Centre. Above this threshold, the taxpayers base will be divided 50-50.
- Even for administering IGST, the tax payer base will be divided in the same two ratios.
- In case of dispute between the states over determination of the “Destination State”, the IGST would be administered by the Centre. The determination of Destination State is key to determining which state will receive the state’s share of IGST.

COMPLEX CHALLENGE

- Audit will be capped at 5 % of taxpayers, based on risk factors. The auditees will be shared between Centre and the states through a computer based programme.

Can one registered person be administered and audited by two different authorities.

- ***Intelligence based enforcement work, will be in the domain of both the Centre and the states.***

COMPLEX CHALLENGE

- The question is—in light of the amended Constitutional provisions, are the decisions regarding the aforesaid cross empowerment legally tenable?
- The Constitutional provisions are contained in Clause (2) of Article 246A: “Parliament has exclusive power to make laws with respect to GST where the supply takes place in the course of inter-state trade or commerce.”
- As against this, Clause (1) of Article 246A states: “Parliament, and, subject to clause (2), the Legislatures of every State, have power to make laws with respect to goods and services tax imposed by the Union or by such State.”
- Effectively, Clause (1) read with Clause (2) empowers both Parliament and the Centre to make laws with respect to only intra-state supplies. The position is further clarified by Article 269A (1) which states that GST “on supplies in the course of inter-State trade or commerce shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States.”

COMPLEX CHALLENGE

- A reading of the Articles 246A and 269A thus makes it clear that for inter-state supplies, Parliament has the exclusive power to make laws relating to GST, and the Centre has the exclusive power to levy and collect IGST. Article 269A further clarifies that IGST so collected will not be apportioned between the Union and the states.
- The pre-amendment provision of Article 269 reads “Taxes levied and collected by the Union but assigned to the States.” The dictionary defines the word ‘assign’ as “to give a particular job or piece of work to someone”. The amended provision omits “assigned to the states”.
- In light of this, it’s clear that the amended Constitutional provisions do not allow the Centre to cross-empower the states by assigning the job of collection of IGST. The Council seems to have relied upon Articles 258 and 258A which empowers the Centre to confer its power to the states in certain cases and vice versa.

COMPLEX CHALLENGE

- Article 258 (1) which deals with power of the Union to confer power, etc. on the state in certain cases states that “the President may, with the consent of the Government of a State, entrust either conditionally or unconditionally to that Government or to its officers functions in relation to any matter to which the executive power of the Union extends.”
- The Clauses (2) and (3) of Article 258 further elaborate upon this cross empowerment. Clause (3) in particular provides that “there shall be paid by the Government of India to the State” any extra costs of administration “incurred by the State in connection with the exercise of those powers and duties.”

CONTRADICTION

- The delegation of power by the central government to the state government under Article 258 is an extraordinary power in extraordinary circumstances like, for instance, when the central bureaucracy is not available or not competent enough to undertake a particular job. In the present instance, there exists an experienced central tax administration.
- Central tax administration is answerable to Parliament. Power and accountability have to go hand in hand. A close scrutiny of Articles 268 to 270 would show a fundamental design feature that taxes are administered by the government to which the tax accrues. IGST does not accrue to the origin states, therefore they cannot administer IGST. In the technological scheme of IGST, the destination state cannot be pre-identified and tasked to administer IGST. Thus, Article 258, an extraordinary construct, cannot supersede an explicit declaration in Article 269A that IGST be levied and collected by Centre.

Goods and Service Tax



Day 1 Session III **REGISTRATION**



Registration

Registration:

Most fundamental requirement.

Create relationship between Assessee and Authorities

Chapter VI (Section 22 to 30) under CGST Act.

Registration Rules

Notified vide Notification No. 03/2017 dated 19th June 2017

Chapter III (Rule 8 to Rule 26)

Registration (Section 22, Chapter VI)

Section 22 of Chapter- VI of CGST Act

(1) Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his **aggregate turnover** in a FY exceeds **Rs. 20 Lakh**:

Provided that where such person makes taxable supplies of goods or services or both from any of the **special category States**, he shall be liable to be registered if his aggregate turnover in a FY exceeds **Rs. 10 Lakh**.

- (i) the expression “**aggregate turnover**” shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals;

Registration (Section 22, Chapter VI)

Section 22(1) Contd...

- (ii) the supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of such goods shall not be included in the aggregate turnover of the registered job worker;
- (iii) “**special category States**” as specified in clause (4)(g) of article 279A of the Constitution.

“**aggregate turnover**” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

Registration (Section 22, Chapter VI)

For an Agent

the supplies made by him on behalf of all of his principals have to be considered while analyzing the threshold limit.

For a job worker

the following supplies effected on completion of job work not to be included in his “aggregate turnover”

- Goods returned to the principal
- Goods sent to another job worker on the instruction of the principal
- Goods directly supplied from the job worker’s premises (by the principal): it would be included in the “aggregate turnover” of the principal.

Registration (Section 22, Chapter VI)

Section 22 of Chapter- VI of CGST Act

(2) 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.**

(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, as the case may be, shall be **liable to be registered with effect from the date of such transfer or succession.**

(4) Notwithstanding anything contained in sub-sections (1) and (3), in a case of **transfer pursuant to sanction of a scheme or an arrangement** for amalgamation or, as the case may be, demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be **liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order** of the High Court or Tribunal.

Registration (Section 23)

Persons not liable for registration

(1) The following persons shall not be liable to registration, namely:—

- (a) any person engaged exclusively in the 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 Integrated Goods and Services Tax Act;
- (b) an **agriculturist**, to the extent of supply of produce out of cultivation of land.

(2) The Government may, on the recommendations of the Council, **by notification**, specify the category of persons who may be exempted from obtaining registration under this Act..

“agriculturist” means an individual or a Hindu Undivided Family who undertakes cultivation of land—

- (a) by own labour, or
- (b) by the labour of family, or
- (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of family member/s;

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

Registration (Section 24)

Compulsory registration in certain cases.

Notwithstanding anything contained in section 22(1), the following categories of persons shall be required to be registered under this Act,—

- (i) persons making any **inter-State taxable supply**;
- (ii) **casual taxable persons** making taxable supply;
- (iii) persons who are required to pay tax under **reverse charge**;
- (iv) person who are required to pay tax u/section 9(5) **e-Commerce**;
- (v) **non-resident** taxable persons making **taxable supply**;
- (vi) persons who are **required to deduct tax** under section 51, whether or not separately registered under this Act;
- (vii) persons who make taxable supply of goods or services or both **on behalf of other taxable persons** whether as an agent or otherwise;
- (viii) **Input Service Distributor**, whether or not separately registered under this Act;

Registration (Section 24)

Compulsory registration in certain cases- Contd..

- (ix) persons who supply goods or services or both, other than supplies specified under section 9(5), through such e-commerce operator who is required to **collect tax at source** u/s 52;
- (x) every **electronic commerce operator**;
- (xi) every person **supplying online information and database access** or retrieval services **from a place outside India to a person in India**, other than a registered person; and
- (xii) such other person or class of persons **as may be notified** by the Government on the recommendations of the Council.

Note: (As on 3rd July 2017)

Compulsory registration for persons defined in u/s 51 and 52 deferred till further notification

Procedure for registration (Section 25)

- (1) Every person who is liable to be registered u/s 22 or 24 **shall apply** for registration in every such State or Union territory in which he is so liable **within 30 days** from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed: Provided that a **casual taxable person or a non-resident taxable person** shall apply for registration **at least five days prior to the commencement of business**. Explanation.—Every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate baseline is located.
- (2) A person seeking registration under this Act shall be granted a **single registration in a State** or Union territory: Provided that a person having **multiple business verticals in a State** or Union territory may be granted a **separate registration for each business vertical**, subject to such conditions as may be prescribed.
- (3) A person, though not liable to be registered u/s 22 or 24 **may get himself registered voluntarily**, and all provisions, as are applicable to a registered person, shall apply to such person.

Procedure for registration (Section 25)

“business vertical” means a distinguishable component of an enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to **risks and returns that are different from those of the other business verticals.**

Explanation.–

For the purposes of this clause, factors that should be considered in determining whether goods or services are related include–

- (a) the nature of the goods or services;
- (b) the nature of the production processes;
- (c) the type or class of customers for the goods or services;
- (d) the methods used to distribute the goods or supply of services; and
- (e) the nature of regulatory environment (wherever applicable), including banking, insurance, or public utilities;

Procedure for registration (Section 25)

- (4) A person who has obtained or is required to obtain **more than one registration**, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated **as distinct persons** for the purposes of this Act.
- (5) 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** for the purposes of this Act.
- (6) Every person shall have a PAN issued under the Income tax Act, 1961 in order to be eligible for grant of registration: Provided that a person required to deduct tax u/s 51 may have, **in lieu of a PAN, a Tax Deduction and Collection Account Number** issued under the said Act in order to be eligible for grant of registration.
- (7) Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of **other documents as may be prescribed**.

Procedure for registration (Section 25)

- (8) Where a person liable to be registered **fails to obtain registration, proper officer may**, without prejudice to any action which may be taken under this Act or under any other law for time being in force, **proceed to register such person in such manner as prescribed.**
- (9) Notwithstanding anything contained in sub-section (1),—
- (a) any **specialised agency of UNO** or Multilateral Financial Institution and Organisation notified under UN (Privileges & Immunities) Act 1947, Consulate/Embassy of foreign countries; and
 - (b) any other person or class of persons, as **notified by the Commissioner**, shall be **granted a UIN** in such manner and for such purposes, including refund of taxes on the notified supplies of goods/ services/ both received by them, as may be prescribed.
- (10) **The registration or the UIN shall be granted** or rejected after due verification in such manner **and period as may be prescribed.**
- (11) A RC shall be issued in such form and with effect from such date as may be prescribed.
- (12) A registration or UIN shall be **deemed to be granted after expiry of period prescribed in sub-section (10), if no deficiency** communicated within that period.

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

Deemed Registration (Section 26)

Deemed registration

- (1) The **grant of registration** or the Unique Identity Number under the **State Goods and Services Tax Act** or the Union Territory Goods and Services Tax Act **shall be deemed to be a grant of registration** or the Unique Identity Number **under this Act** subject to the condition that the application for registration or the Unique Identity Number has not been rejected under this Act within the time specified in sub-section (10) of section 25.

- (2) Notwithstanding anything contained in sub-section (10) of section 25, any **rejection of application for registration** or the Unique Identity Number **under the State Goods and Services Tax Act** or the Union Territory Goods and Services Tax Act **shall be deemed to be a rejection of application for registration under this Act.**

Special Provisions (Section 27)

Casual taxable person and non-resident taxable person.

- (1) The certificate of **registration issued to a casual taxable person or a nonresident taxable person** shall be **valid for the period specified in the application for registration or 90 days from the effective date of registration, whichever is earlier** and such person shall make taxable supplies only after the issuance of the certificate of registration: Provided that the proper officer may, on sufficient cause being shown by the said taxable person, **extend** the said period of 90 days by a **further period not exceeding 90 days**.
- (2) A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration u/s 25(1), make an **advance deposit of tax** in an amt **equivalent to the estimated tax liability** of such person for the period for which the registration is sought: Provided that **where any extension** of time is sought under sub-section (1), such taxable person shall deposit an **additional amount of tax** equivalent to the estimated tax liability of such person for the period for which the extension is sought.
- (3) The amt deposited under sub-section (2) shall be **credited to e-cash ledger and shall be utilised in manner provided** u/s 49.

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

Amendment of registration(Section 28)

- (1) Every registered person and a person to whom a Unique Identity Number has been assigned shall **inform the proper officer of any changes in the information furnished at the time of registration or subsequent thereto**, in such form and manner and within such period as may be prescribed.
- (2) The **proper officer may**, on the basis of information furnished under sub-section (1) or as ascertained by him, **approve or reject amendments** in the registration particulars in such manner and within such period as may be prescribed: Provided that approval of the proper officer shall not be required in respect of amendment of such particulars as may be prescribed: Provided further that the proper officer **shall not reject** the application for amendment in the registration particulars **without** giving the person an **opportunity of being heard**.
- (3) Any **rejection or approval** of amendments **under the State Goods and Services Tax Act** or the Union Territory Goods and Services Tax Act, as the case may be, **shall be deemed to be a rejection or approval under this Act**.

Cancellation of registration(Section 29)

- (1) The proper officer may, either on his **own motion or on an application** filed by the registered person or by his legal heirs, **in case of death of such person, cancel the registration**, in such manner and within such period as may be prescribed, having regard to the circumstances where,—
 - (a) the business has been **discontinued**, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or
 - (b) there is any **change in the constitution** of the business; or
 - (c) the taxable person, other than the person registered under sub-section (3) of section 25, is **no longer liable to be registered** under section 22 or section 24.

Cancellation of registration(Section 29)

(2) 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 Act / Rules**; or
- (b) a person paying tax u/s 10 (Composition Levy) **not furnished returns for 3 consecutive tax periods**; or
- (c) any registered person, other than a person specified in clause (b), has **not furnished returns for a continuous period of 6 months**; or
- (d) any person taken **voluntary registration** under section 25(3) has **not commenced business within 6 months** from date of registration; or
- (e) registration obtained by means of **fraud, willful misstatement or suppression** of facts: Provided that the proper officer shall not cancel the registration without giving an **opportunity of being heard**.

(3) The cancellation of registration under this section shall **not affect the liability of the person to pay tax and other dues** under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

Cancellation of registration(Section 29)

(4) The **cancellation** of registration **under the State Goods and Services Tax Act** or the Union Territory Goods and Services Tax Act, as the case may be, shall be **deemed to be a cancellation of registration under this Act.**

(5) 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, calculated in such manner as may be prescribed: Provided that 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.

(6) The amount payable under sub-section (5) shall be **calculated in such manner as may be prescribed.**

Revocation of cancellation of registration (Section 30)

- (1) Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, **may apply to such officer for revocation of cancellation of the registration in the prescribed manner within 30 days** from the date of service of the cancellation order.
- (2) The proper officer may, in such manner and within such period as may be prescribed, by order, **either revoke cancellation of the registration or reject the application:**
Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an **opportunity of being heard.**
- (3) The revocation of cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be **deemed to be a revocation of cancellation of registration under this Act.**

Registration



➤ State-wise registration

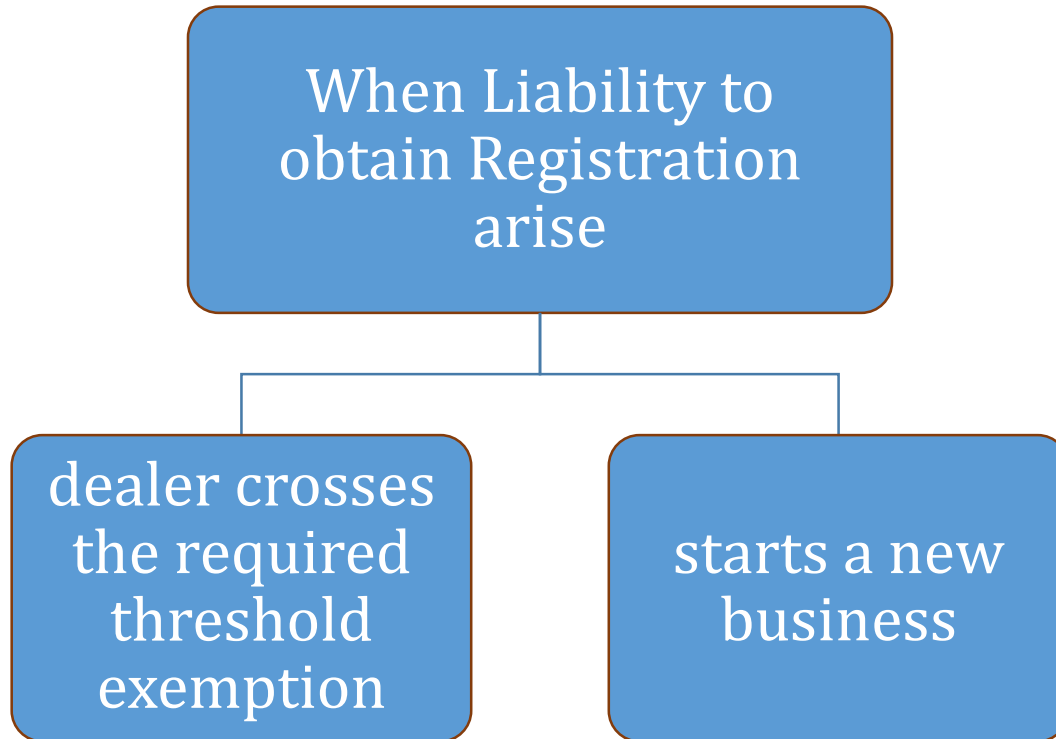
For each state – separate registration even in case of single legal entity.

➤ PAN based Registration

GSTIN would be a PAN based, 15 digits, alphanumeric number in the following manner

State Code	PAN	Entity Code	Check Digit	Extra Digit
1 2	3 4 5 6 7 8 9 10 11 12	13	14	15
22	AAAAA0000A	1	Z	A

Registration




Registration application must be filed within 30 days from the date of the dealer's liability for obtaining such registration.

Registration

➤ Procedure

Registration would be granted through common GSTN portal



Application will be required to apply online. GST REG-01

Registration

Scanned Documents with application

- (i) Constitution of Business
- (ii) Details of the Principal place of business
- (iii) Details of bank Account
- (iv) Details of authorised signatory
- (v) Photograph of authorised person.

Registration

GST common portal shall carry out preliminary verification/validation including real time PAN validation with CBDT portal and other numbers issued by other department through inter portal connectivity

Registration

Information and uploaded documents found in order,
Approval of application within
3 days.



Authorities raise query within
3 common working days

Registration

Applicant to Reply
within 7 common
working days



Either grant of
Registration or Refusal

Registration

Effective date
of Registration

Date on which person
become liable to
registration if application
filed within 30 days
prescribed time.

Otherwise date of
registration.

Registration and availment of ITC

Availment of Input Tax credit(ITC)

- Registration App filed within 30 days prescribed period

Taxpayer eligible for ITC on all purchases from date of application.

- Registration App NOT filed within 30 days prescribed period

Taxpayer NOT Eligible for ITC on purchases prior date of registration

REGISTRATION PROCESS

1. Application for registration (Rule 8)

(1) Every person

(other than a non-resident taxable person,
a person supplying online information and data base access or retrieval services from a place outside India to a non-taxable online recipient section 14 of IGST ,
a person required to deduct tax at source u/s 51 and
a person required to collect tax at source u/s 52)

who is liable to be registered u/s 25(1) and every person seeking registration u/s 25(3) shall, before applying for registration, declare his PAN, mobile number, e-mail, State or Union territory in **Part A of GST REG-01** either directly or through Facilitation Centre notified by the Commissioner:

Provided that a SEZ unit or SEZ developer shall make a separate application as a business vertical distinct from its other units located outside SEZ.

- (2) (a) The PAN shall be validated from the database of CBDT;
- (b) The mobile number shall be verified through a OTP; and
- (c) The e-mail shall be verified through a separate OTP.

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

REGISTRATION

(3) On successful verification, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.

(4) Using the reference number generated under sub-rule (3), the applicant shall electronically submit an application in **Part B of GST REG-01**, duly signed, along with documents specified in the said Form at the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner.

(5) On receipt of an application under sub-rule (4), an **acknowledgement** shall be issued electronically to the applicant in **GST REG-02**.

(6) A person applying for registration as a **casual taxable person** shall be given a temporary reference number by the Common Portal for making **advance deposit of tax** in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) shall be issued electronically only after the said deposit in the electronic cash ledger.

Verification of the application & approval (Rule 9)

- (1) The proper officer shall examine the application and accompanying documents and if the same are in order, approve the grant of registration **within 3 working days** from the date of application.
- (2) Where the application is found to be deficient, due to information or any document required, or where the proper officer requires any clarification with regard to any information provided in the application or documents furnished therewith, he may issue a **notice to the applicant electronically in GST REG-03 within 3 working days** from the date of application and **the applicant shall furnish such clarification, information or documents sought electronically, in GST REG-04, within 7 working days** from the date of receipt of such intimation.
Explanation- The clarification includes modification or correction of particulars declared in the application for registration, other than PAN, State, mobile no. and e-mail declared in Part A of GST REG-01.
- (3) Where the proper officer is satisfied with the clarification, information or documents furnished by the applicant, he **may approve the grant of registration to the applicant within 7 working days** from the date of receipt of such clarification or information or documents.

Verification of the application & approval

(4) Where no reply is furnished by the applicant in response to the notice within the prescribed period or where the proper officer is not satisfied, he shall, for reasons to be recorded in writing, reject such application and inform the applicant electronically in GST REG-05.

(5) If the proper officer fails to take any action –

(a) within 3 working days from the date of submission of application, or

(b) within 7 working days from the date of receipt of clarification/info/ Doc, the application for grant of **registration shall be deemed to be approved.**

3. Issue of registration certificate (Rule 10)

(1) Subject to the provisions of section 25(12), where the application for grant of registration has been approved under rule 9, a **certificate of registration in GST REG-06** showing the principal place of business and additional place(s) of business shall be made available to the applicant on the Common Portal and “GSTIN” shall be assigned. (15 digit format)

(2) The registration shall be **effective from the date on which the person becomes liable to registration** where the application for registration has been **submitted within 30 days** from such date.

(3) Where an application for registration has been submitted by the applicant **after 30 days** from the date of his becoming liable to registration, the effective date of registration shall be **the date of grant of registration** under sub-rule (1) or sub-rule (3) or sub-rule (5) of rule 9.

(4) Every **RC** made available on Portal shall be **digitally signed by proper officer** under the Act.

(5) Where the registration has been granted under rule 9(5), the applicant shall be communicated the registration number and the RC under Rule 9(1), duly signed, shall be made available to him on the common portal within 3 days after expiry of the period specified in Rule 9(5).

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

4. Separate registration for multiple business verticals within State / UT (Rule 11)

- (1) Any person having multiple business verticals within a State or UT, requiring a separate registration for any of its business verticals u/s 25(2) shall be granted separate registration in respect of each of the verticals subject to the following conditions, namely:-
 - (a) such person has more than 1 business vertical as defined u/s 2(18);
 - (b) the business vertical of a taxable person shall not be granted registration to pay tax u/s 10 if any one of the other business verticals of the same person is paying tax u/s 9;
 - (c) all separately registered business verticals of such person shall pay tax under the Act on supply of goods or services or both made to another registered business vertical of such person and issue a tax invoice for such supply.

Explanation.- For the purposes of clause (b), it is hereby clarified that where any business vertical of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other business verticals also become ineligible to pay tax under the said section.

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

5. Grant of registration to persons required to deduct tax at source or to collect tax at source (Rule 12)

(1) Any person required to deduct tax in accordance with the provisions of section 51 or a person required to collect tax at source in accordance with the provisions of section 52 shall electronically submit an application, duly signed, in **GST REG-07** for grant of registration through the Common Portal, either directly or from a Facilitation Centre notified by the Commissioner.

(2) The proper officer may grant registration after due verification and issue a certificate of registration in FORM **GST REG-06** within three working days from the date of submission of application.

(3) Where, upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person to whom a certificate of registration in FORM GST REG-06 has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued under sub-rule (2) and such cancellation shall be communicated to the said person in FORM GST REG-08:

Provided that the proper officer shall follow the procedure prescribed in rule 14 for cancellation of registration.

6. Grant of registration to non-resident taxable person (Rule 13)

- (1) A non-resident taxable person shall electronically submit an application, along with a valid passport, for registration, duly signed, in **GST REG-09, at least five days prior to the commencement of business** at the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.
- (2) A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the Common Portal for making an **adv deposit of tax** u/s 27 and the acknowledgement under rule 1 (5) shall be issued thereafter.
- (3) The person applying for registration under sub-rule (1) shall make an adv deposit of tax in an amt equivalent to the estimated tax liability of such person for the period for which registration is sought, as specified in section 27.
- (4) The provisions of rule 2 and rule 3 relating to verification and grant of registration shall mutatis mutandis, apply to an application submitted under this rule.

Explanation. – The application shall be signed by his authorized signatory a person resident in India having a valid PAN.

7. Grant of registration to a person supplying OIDAR services from a place outside India to a non-taxable online recipient-(Rule 14)

(1) Any person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient shall electronically submit an application for registration, duly signed or verified through electronic verification code, in FORM GST REG-10, at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) The applicant referred to in sub-rule (1) shall be granted registration, in FORM GST REG-06, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.

8. Extension in period of operation by casual taxable person and non-resident taxable person (Rule 15)

- (1) Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in FORM GST REG-11 shall be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner, by such person before the end of the validity of registration granted to him.
- (2) The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

9. Suo moto registration (Rule 16)

- (1) 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 GST REG-11.**
- (2) The registration granted under sub-rule (1) shall be effective from the date of order granting registration.
- (3) Every person to whom a temporary registration has been granted under sub-rule (1) shall, **within 90 days** from the date of the registration, **submit an application** for registration in the form and manner provided in rule 1 or rule 5 **unless** the said person has **filed an appeal against temporary registration**, in which case the application for registration shall be submitted within 30 days from the date of issuance of order upholding the liability to register by the Appellate Authority.
- (4) The provisions of rule 2 and rule 3 relating to verification and issue of certificate of registration shall, mutatis mutandis, apply to an application submitted under sub-rule (3).
- (5) The GSTIN assigned pursuant to verification under sub-rule (4) shall be effective from the date of order granting registration under sub-rule (1).

10. Assignment of UIN to certain special entities (Rule 17)

- (1) Every person required to be granted a unique identity number under sub-section (9) of section 25 may **submit an application, electronically in FORM GST REG-12**, duly signed, in the manner specified in rule 1 at the Common Portal, either directly or through a Facilitation Centre, notified by the Board or Commissioner.
- (2) The proper officer may, upon submission of an application in FORM GST REG-12 or after filling up the said form, assign a Unique Identity Number to the said person and **issue a certificate in FORM GST REG-06 within three working days** from the date of submission of application.

11. Display of registration certificate and GSTIN on the name board (Rule 18)

- (1) Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.
- (2) Every registered person shall display his GSTIN on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.

12. Amendment in registration (Rule 19)

(1) Where there is any change in any of the particulars furnished in the application for registration in GST REG-01 or GST REG-07 or GST REG-09 or GST REG-10 or for UID GST-REG-13, either at the time of obtaining registration or UIN or as amended from time to time, the registered person shall, within a period of 15 days of such change, submit an application, duly signed or verified through electronic verification code, electronically in GST REG-14, along with the documents relating to such change at the common portal, either directly or through a FC notified by the Commissioner:

Provided that – (a) where the change relates to,-

- (i) legal name of business;
- (ii) address of the principal place or any additional place(s) of business; or
- (iii) addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for the day to day affairs of the business,- which does not warrant cancellation of registration u/s 29,

the proper officer shall, after due verification, approve the amendment within a period of 15 working days from the date of the receipt of application GST REG-14 and issue an order in FORM GST REG-15 electronically and such amendment shall take effect from the date of the occurrence of the event warranting such amendment;

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

12. Amendment in registration (Rule 19)

(b) the change relating to sub-clause (i) and sub-clause (iii) of clause (a) in any State or Union territory shall be applicable for all registrations of the registered person obtained under the provisions of this Chapter on the same Permanent Account Number;

(c) where the change relates to any particulars other than those specified in clause (a), the certificate of registration shall stand amended upon submission of the application in FORM GST REG- 14 on the common portal;

(d) where a change in the constitution of any business results in the change of the Permanent Account Number of a registered person, the said person shall apply for fresh registration in FORM GST REG-01: Provided further that any change in the mobile number or e-mail address of the authorised signatory submitted under this rule, as amended from time to time, shall be carried out only after online verification through the common portal in the manner provided under the said rule.

12. Amendment in registration (Rule 19)

(2) Where the proper officer is of the opinion that the amendment sought under sub-rule (1) is either not warranted or the documents furnished therewith are incomplete or incorrect, he may, within 15 working days from the date of the receipt of the application GST REG-14, serve a notice in GST REG-03, requiring the registered person to show cause, within a period of 7 working days of the service of the said notice, as to why the application submitted under sub-rule (1) shall not be rejected.

(3) The registered person shall furnish a reply to the SCN, issued under sub-rule (2), in GST REG-04, within a period of 7 working days from the date of the service of the said notice.

(4) Where the reply furnished not satisfactory or where no reply is furnished within the period prescribed in sub-rule (3), the proper officer shall reject the application and pass an order in GST REG -05.

(5) If the proper officer fails to take any action,- (a) within a period of 15 working days from the date application, or (b) within a period of 7 working days from the date of the reply to SCN under sub-rule (3), 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.

CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

13. Application for cancellation of registration (Rule 20)

A registered person, other than a person to whom a registration has been granted under rule 12 or a person to whom a UIN has been granted under rule 17, seeking cancellation of his registration under sub-section (1) of section 29 shall electronically submit an application in FORM GST REG-16, including therein the details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock and of capital goods held in stock on the date from which the cancellation of registration is sought, liability thereon, the details of the payment, if any, made against such liability and may furnish, along with the application, relevant documents in support thereof, at the common portal within a period of thirty days of the occurrence of the event warranting the cancellation, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for the cancellation of registration shall be considered in case of a taxable person, who has registered voluntarily, before the expiry of a period of 1 year from date of registration.

14. Registration to be cancelled in certain cases.- (Rule 21)

The registration granted to a person is liable to be cancelled, if the said person,-

- (a) does not conduct any business from the declared place of business; or
- (b) issues invoice or bill without supply of goods or services in violation of the provisions of this Act, or the rules made thereunder.

15. Cancellation of registration.- (Rule 22)

- (1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled u/s 29, he shall issue a notice in FORM GST REG-17, requiring him to show cause, within a period of 7 working days from the date of the service of such notice, as to why his registration shall not be cancelled.
- (2) The reply to the SCN issued under sub-rule (1) shall be furnished in FORM REG-18 within the period specified in the said sub-rule.
- (3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in FORM GST REG-19, within a period of 30 days from the date of application submitted under rule 20(1) or, as the case may be, the date of the reply to the SCN issued under sub-rule (1), cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including amt liable to be paid u/s 29(5).
- (4) Where the reply furnished u/sub-rule (2) is satisfactory, the proper officer shall drop the proceedings and pass an order in GST REG -20.

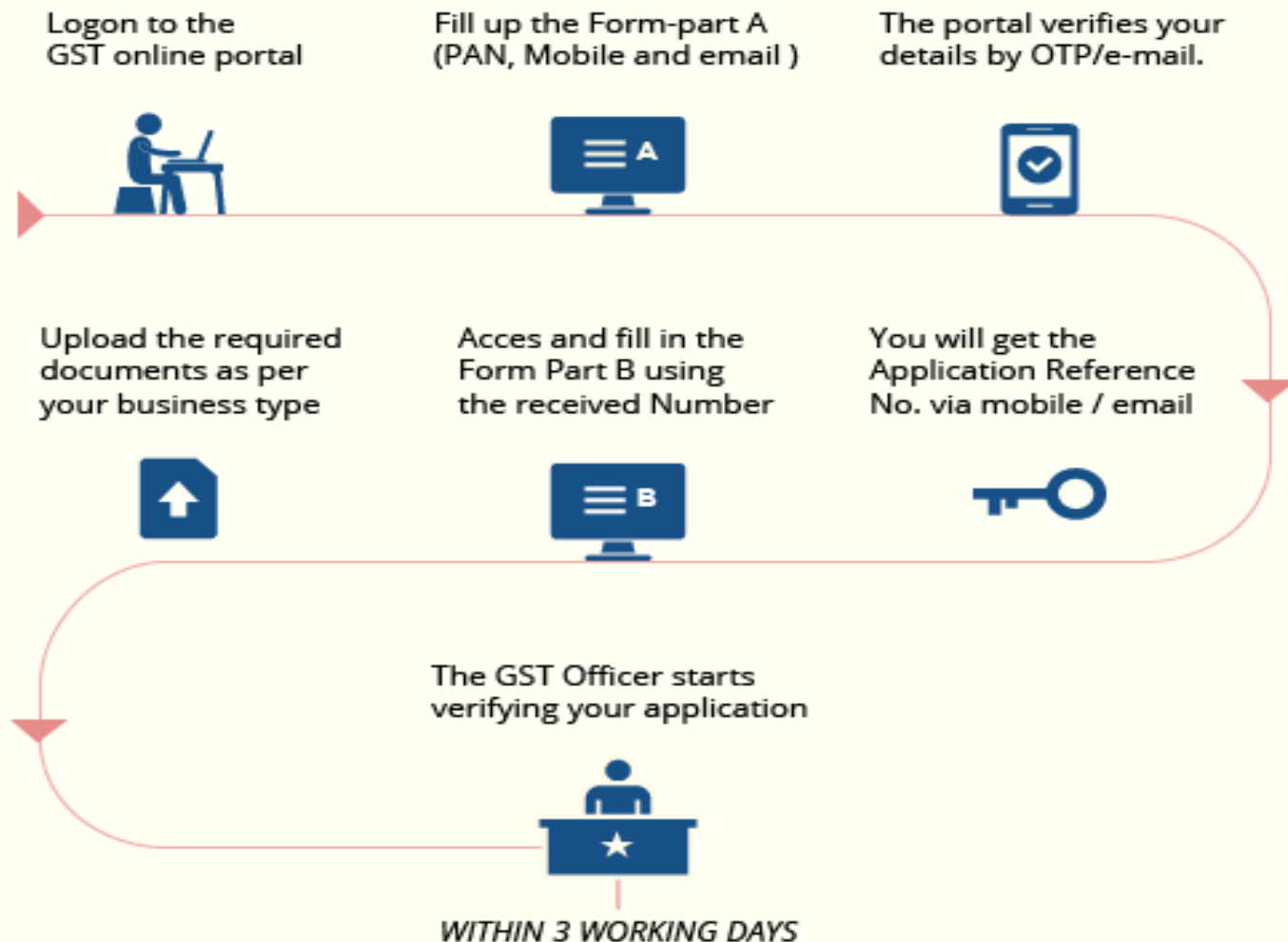
CA Pawan Kumar Rastogi

98102 80322; pr@pawanrastogi.com

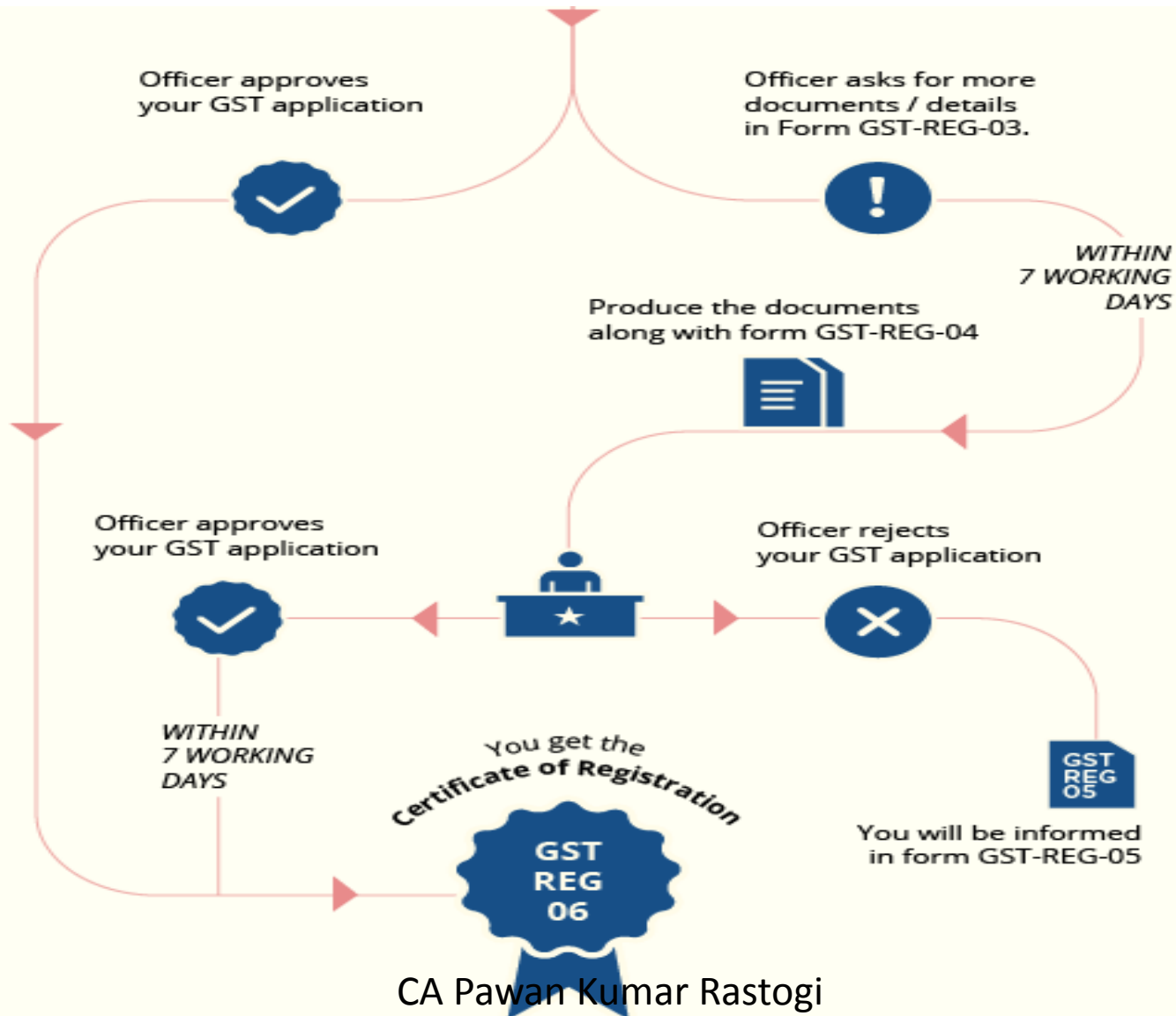
16. Physical verification of business premises in certain cases.(Rule 25)

Where the proper officer is satisfied that the physical verification of the place of business of a registered person is required after the grant of registration, he may get such verification done and the verification report along with the other documents, including photographs, shall be uploaded in **GST REG-30** on the common portal within a period of 15 working days following the date of such verification.

How to Register - Process



How to Register - Process



Person vs Taxable Person

“person” includes—

(a) an individual; (b) a Hindu Undivided Family; (c) a company; (d) a firm; (e) a Limited Liability Partnership; (f) an association of persons or a body of individuals, whether incorporated or not, in India or outside India; (g) any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013; (h) any body corporate incorporated by or under the laws of a country outside India; (i) a co-operative society registered under any law relating to co-operative societies; (j) a local authority; (k) Central Government or a State Government; (l) society as defined under the Societies Registration Act, 1860; (m) trust; and (n) every artificial juridical person, not falling within any of the above;

“taxable person” means a person who is registered or liable to be registered under section 22 or section 24;

Taxable Person vs Registered Person

“**taxable person**” means a person who is registered or liable to be registered under section 22 or section 24;

“**registered person**” means a person who is registered under section 25 but does not include a person having a Unique Identity Number;

Non Taxable Registered Person

Non Taxable Registered Persons

“**Input Service Distributor**” means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office;

Purpose of Registration of Non-Taxable Persons

- i. Input Service Distributor
- ii. Person responsible to Deduct Tax at Source

a> Smooth distribution of ITC.

B> to facilitate Tax deduction at source like e-commerce operators.



Question *n* Answer Session



CA Pawan Kumar Rastogi
98102 80322; pr@pawanrastogi.com



Thank You

CA Pawan Kumar Rastogi
KPMC & Associates

606-607, Sumedha Ansals, RDC Raj Nagar, Ghaziabad

Phone: 0120-6523817 Mobile: 9810280322

E-mail: pr@pawanrastogi.com;

Web: www.kpmc.in; www.gsthelpline.net