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Chartered Accountants

Registration

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Registration



Introduction

In any tax system, registration is the most fundamental requirement for identification of tax payers ensuring tax compliance in the economy. Registration of any business entity under the GST Law implies obtaining a unique number from the concerned tax authorities for the purpose of collecting tax on behalf of the government and to avail Input Tax Credit for the taxes on his inward supplies. Without registration, a person can neither collect tax from his customers nor claim any input Tax Credit of tax paid by him.

Need and advantages of registration

Registration will confer the following advantages to a taxpayer:

- He is legally recognized as supplier of goods or services.
- He is legally authorized to collect taxes from his customers and pass on the credit of the taxes paid on the goods or services supplied to the purchasers/recipients.
- He can claim Input Tax Credit of taxes paid and can utilize the same for payment of taxes due on supply of goods or services.
- Seamless flow of Input Tax Credit from suppliers to recipients at the national level.

Liability to register

GST being a tax on the event of “supply”, every supplier needs to get registered. However, small businesses having all India aggregate turnover below Rupees 20 lakh (10 lakh if business is in Assam, Arunachal Pradesh, J&K, Himachal Pradesh, Uttarakhand, Manipur, Mizoram, Sikkim, Meghalaya, Nagaland or Tripura) need not register. The small businesses, having turnover below the threshold limit can, however, voluntarily opt to register.

The aggregate turnover includes supplies made by him on behalf of his principals, but excludes the value of job-worked goods if he is a job worker. But persons who are engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax or an agriculturist, to the extent of supply of produce out of cultivation of land are not liable to register under GST.

Who Should Register for GST

- Individuals registered under the Pre-GST law (i.e., Excise, VAT, Service Tax etc.)

- Businesses with turnover above the threshold limit of Rs. 20 Lakhs (Rs. 10 Lakhs for North-Eastern States, J&K, Himachal Pradesh and Uttarakhand)
- Casual taxable person / Non-Resident taxable person
- Agents of a supplier & Input service distributor
- Those paying tax under the reverse charge mechanism
- Person who supplies via e-commerce aggregator
- Every e-commerce aggregator
- Person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered taxable person.

Documents Required for GST Registration

- PAN of the Applicant
- Aadhaar card
- Proof of business registration or Incorporation certificate
- Identity and Address proof of Promoters/Director with Photographs
- Address proof of the place of business
- Bank Account statement/Cancelled cheque
- Digital Signature
- Letter of Authorization/Board Resolution for Authorized Signatory

How to Register for GST India Online – Guide for GST Registration Online

Every dealer whose Annual turnover exceeds Rs 20 lakh (for special states, the amount is Rs 10 lakh) has to register for GST.

Here is a step-by-step guide on how to complete registration process online on the GST Portal–

Step 1 – Go to GST portal. Click on Register Now under Taxpayers (Normal)

Step 2 – Enter the following details in Part A –

- Select New Registration
- In the drop-down under I am a – select Taxpayer
- Select State and District from the drop down
- Enter the Name of Business and PAN of the business
- Key in the Email Address and Mobile Number. The registered email id and mobile number will receive the OTPs.
- Click on Proceed

Step 3 – Enter the OTP received on the email and mobile. Click on Continue. If you have not received the OTP click on Resend OTP.

Step 4 – You will receive the Temporary Reference Number (TRN) now. This will also be sent to your email and mobile. Note down the TRN

Step 5 – Once again go to GST portal. Click on Register Now.

Step 6 – Select Temporary Reference Number (TRN). Enter the TRN and the captcha code and click on Proceed.

Step 7 – You will receive an OTP on the registered mobile and email. Enter the OTP and click on Proceed

Step 8 -You will see that the status of the application is shown as drafts. Click on Edit Icon.

Step 9 – Part B has 10 sections. Fill in all the details and submit appropriate documents.

Here is the list of documents you need to keep handy while applying for GST registration-

- Photographs
- Constitution of the taxpayer
- Proof for the place of business

- Bank account details
- Authorization form

Step 10 – Once all the details are filled in go to the Verification page. Tick on the declaration and submit the application using any of the following ways –

- Companies must submit application using DSC
- Using e-Sign – OTP will be sent to Aadhaar registered number
- Using EVC – OTP will be sent to the registered mobile

Step 11 – A success message is displayed and Application Reference Number (ARN) is sent to registered email and mobile.

You can check the ARN status for your registration by entering the ARN in GST Portal.

Penalty for not registering under GST

An offender not paying tax or making short payments (genuine errors) has to pay a penalty of 10% of the tax amount due subject to a minimum of Rs.10,000.

The penalty will be at 100% of the tax amount due when the offender has deliberately evaded paying taxes

Meaning of cancellation of registration

Cancellation of GST registration simply means that the taxpayer will not be a GST registered person any more. He will not have to pay or collect GST.

Consequences of Cancellation

- The taxpayer will not pay GST anymore

- For certain businesses, registration under GST is mandatory. If the GST registration is cancelled and business is still continued, it will mean an offence under GST and heavy penalties will apply.

Who can cancel the GST registration?

Application for cancellation, in case of voluntary registrations made under GST, can be made only after one year from the date of registration.

Cancellation when Turnover is less than 20 lakhs

Every person who was registered under old laws had to mandatorily migrate to GST. Many such persons are not liable to be registered under GST.

For example, the threshold under VAT in most states was 5 lakhs whereas it is 20 lakhs under GST. However, do make sure you are not making inter-state supplies since registration is mandatory for inter-state suppliers except for service providers.

Such a taxpayer can submit an application electronically in FORM GST REG-29 at the common portal.

The proper officer shall, after conducting an enquiry as required will cancel the registration.

Here are the steps of cancelling on GST Portal-

Step 1

Log in to the GST Portal and click the Cancellation of Provisional Registration.

Step 2

- The Cancellation page opens.
- Your GSTIN and name of business will show automatically.

- You are required to give a reason for cancellation

You will be asked if you have issued any tax invoices during the month.

Simply fill up the details of authorized signatories, place. Finally, sign off with EVC with you are a proprietorship or a partnership. LLPs & Companies must mandatorily sign with DSC.

Cancellation by taxpayer in other cases

Why does a taxpayer wish to cancel his registration?

1. The business has been discontinued
2. The business has been transferred fully, amalgamated, demerged or otherwise disposed —the transferee (or the new company from amalgamation/ demerger) has to get registered. The transferor will cancel its registration if it ceases to exist.
3. There is a change in the constitution of the business (For example- Private limited company has changed to a public limited company)

Forms for cancellation

All those who cannot follow the above method must file an application for cancellation in FORM GST REG 16. The legal heirs of the deceased taxpayer will follow the same procedure as below.

- Application for cancellation has to be made in FORM GST REG 16.
- The following details must be included in FORM GST REG 16-
 - Details of inputs, semi-finished, finished goods held in stock on the date on which cancellation of registration is applied
 - Liability thereon
 - Details of the payment

- The proper officer has to issue an order for cancellation in FORM GST REG-19 within 30 days from date of application. The cancellation will be effective from a date determined by the officer and he will notify the taxable person

Cancellation by tax officer

Why will the officer cancel registration?

The registration can be cancelled, if the taxpayer-

- (a) Does not conduct any business from the declared place of business OR
- (b) Issues invoice or bill without supply of goods/services (i.e., in violation of the provisions) OR
- (C) violates the anti-profiteering provisions (for example, not passing on benefit of ITC to customers)

Procedure

- If the proper officer has reasons to cancel the registration of a person then he will send a show cause notice to such person in FORM GST REG-17.
- The person must reply in FORM REG-18 within 7 days from date of service of notice why his registration should not be cancelled.
- If the reply is found to be satisfactory, the proper officer will drop the proceedings and pass an order in FORM GST REG -20.
- If the registration is liable to be cancelled, the proper officer will issue an order in FORM GST REG-19. The order will be sent within 30 days from the date of reply to the show cause.

Revocation of cancellation of registration

What is revocation of cancellation?

Revocation means the official cancellation of a decision or promise. Revocation of cancellation of registration means that the decision to cancel the registration has been reversed and the registration is still valid.

When is revocation of cancellation applicable?

This is applicable only when the tax officer has cancelled the registration of a taxable person on his own motion. Such taxable person can apply to the officer for revocation of cancellation within thirty days from the date of the cancellation order.

Procedure



- A registered person can submit an application for revocation of cancellation, in FORM GST REG-21, if his registration has been cancelled *suo moto* by the proper officer.
- He must submit it within 30 days from the date of service of the cancellation order at the Common Portal.
- If the proper officer is satisfied he can revoke the cancellation of registration by an order in FORM GST REG-22 within 30 days from the date of receipt of the application. Reasons for revocation of cancellation of registration must be recorded in writing.
- The proper officer can reject the application for revocation by an order in FORM GST REG-05 and communicate the same to the applicant.
- Before rejecting, the proper officer must issue a show cause notice in FORM GST REG-23 for the applicant to show why the application should not be rejected. The applicant must reply in FORM GST REG-24 within 7 working days from the date of the service of notice.
- The proper officer will take decision within 30 days from the date of receipt of clarification from the applicant in FORM GST REG-24.

Note:

Application for revocation cannot be filed if the registration has been cancelled because of the failure to file returns. Such returns must be furnished first along with payment of all dues amounts of tax, interest & penalty.

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