

# REGISTRATION UNDER GST

## Q.1

Examine, with reason, whether registration is required, under CGST Act, in the following independent cases:

- (i) Aadhav Computers of Gujarat is providing computer maintenance service. Aggregate turnover of Aadhav Computers is Rs. 15 lakh which comprises both inter-State and intra-State supply.
- (ii) Soft Wings of West Bengal, exclusively trading in garments, supplies its taxable goods in various States of India from its outlet in West Bengal. Aggregate turnover of Soft Wings is Rs. 35 lakh.

## Answer

- (i) Registration is compulsory for suppliers engaged in inter-State supply. However, as per Notification No. 10/2017 IT dated 13.10.2017, threshold exemption 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. Therefore, Aadhav Computers (aggregate turnover Rs. 15 lakh) is not required to obtain registration even though it is engaged in inter-State supply of taxable services.
- (ii) The threshold limit for registration in the State of West Bengal for the persons engaged exclusively in supply of goods, is Rs. 40 lakh. However, registration is compulsory if the supplier is engaged inter-State supply of goods irrespective of the quantum of aggregate turnover. The threshold exemption is not available in case of inter-State supply of taxable goods. Thus, Soft Wings is required to obtain registration.

## Q.2

Examine whether the liability to register compulsorily under section 24 arises in each of the independent cases mentioned below:

- (1) Meenu, a supplier in Maharashtra, is exclusively engaged in supply of potatoes produced out of cultivation of her own land, within Maharashtra and also outside Maharashtra.
- (2) Jinu Oils, Gujarat, is engaged in supplying machine oil as well as petrol. Further, it provides services of refining of oil to customers. Total turnover of supply of machine oil is Rs. 10 lakh, supply of petrol is Rs. 5 lakh and supply of services is Rs. 6 lakh.
- (3) Tilu is working as an agent, he is supplying taxable goods as an agent of Tiku (who is registered taxable person) and its aggregate turnover does not exceed Rs. 20 lakh during the financial year.

## Answer

(1) Section 24 provides that persons making any inter-State taxable supply of goods are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover.

However, as per section 23, an agriculturist, to the extent of supply of produce out of cultivation of land, is not liable to registration.

Meenu is exclusively engaged in cultivation and supply of potatoes. Thus, she is not liable to registration irrespective of the fact that she is engaged in making inter-State supply of goods. Further, Meenu will not be liable to registration, in the given case, even if her turnover exceeds the threshold limit.

(2) Section 24 specifies the categories of persons who are required to be mandatorily registered under GST irrespective of the quantum of their aggregate turnover.

In the given case, Jinu Oils does not fall in any of the specified categories. Therefore, it is not required to obtain registration compulsorily under GST.

However, as per section 22 read with Notification No. 10/2019 CT dated 07.03.2019, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making supply of both goods and services is Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland and Rs. 20 lakh for the rest of India. Thus, the applicable threshold limit for the State of Gujarat is Rs. 20 lakh for supply of both goods and services. Further, aggregate turnover includes exempted turnover of goods or services.

Accordingly, Jinu Oils is liable obtain registration since its aggregate turnover [Rs. 21 lakh (including turnover of exempt supply of petrol)] exceeds the threshold limit of Rs. 20 lakh.

(3) Section 24 provides that persons who make taxable supply of goods and/or services on behalf of other taxable persons whether as an agent or otherwise are required to obtain registration compulsorily under GST laws irrespective of the quantum of aggregate turnover.

Therefore, Tilu will be mandatorily required to obtain registration.

### **Q. 3**

Determine the effective date of registration under CGST Act in respect of the following cases with proper explanation:

- (i) The aggregate turnover of Varun Industries of Mumbai has exceeded Rs. 40 lakh on 1<sup>st</sup> August. Varun Industries manufactures LED TVs in Mumbai and sells them in Pune. It submits the application for registration on 20<sup>th</sup> August. Registration certificate granted on 25<sup>th</sup> August.
- (ii) Sweta InfoTech Services is the provider of internet services in Pune. Its aggregate turnover exceeds Rs. 20 lakh on 25<sup>th</sup> September. It submits the application for registration on 27<sup>th</sup> October. Registration certificate is granted on 5<sup>th</sup> November.

### **Answer**

As per section 22 read with Notification No. 10/2019 CT dated 07.03.2019, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under: -

- (a) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

- (b) Rs. 20 lakh for the States of States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- (c) Rs. 40 lakh for rest of India. However, the higher threshold limit of Rs. 40 lakh is not available to persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under: -

- (a) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (b) Rs. 20 lakh for the rest of India.

As per rule 10, where a person submits the application for registration within 30 days of becoming liable for registration, the effective date of registration is the date on which the person becomes liable to registration; otherwise it is the date of grant of registration.

In the light of the above provisions, in the given cases, the applicable turnover limit for registration will be Rs. 40 lakh and Rs. 20 lakh respectively in case (i) and (ii).

- (i) Since Varun Industries applied for registration within 30 days of becoming liable to registration, the effective date of registration is 1<sup>st</sup> August.
- (ii) Since Sweta InfoTech Services applied for registration after the expiry of 30 days from the date of becoming liable to registration, the effective date of registration is 5<sup>th</sup> November.

**Q. 4**

Determine the effective date of registration in following cases:

(a) The aggregate turnover of Dhampur Footwear Industries of Delhi has exceeded the applicable threshold limit of f 40 lakh on 1<sup>st</sup> September. It submits the application for registration on 20<sup>th</sup> September. Registration certificate is granted to it on 25<sup>th</sup> September.

(b) Mehta Teleservices is an architect in Lucknow. Its aggregate turnover exceeds f 20 lakh on 25<sup>th</sup> October. It submits the application for registration on 27<sup>th</sup> November. Registration certificate is granted to it on 5<sup>th</sup> December.

**Answer**

(a) Every supplier becomes liable to registration if his turnover exceeds the applicable threshold limit [ ` 40 lakh in this case] in a financial year [Section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*]. Since in the given case, the turnover of Dhampur Industries exceeded ` 40 lakh on 1st September, it becomes liable to registration on said date.

Further, since the application for registration has been submitted within 30 days from such date, the registration shall be effective from the date on which the person becomes liable to registration [Section 25 read with rule 10]. Therefore, the effective date of registration is 1st September.

(b) Since in the given case, the turnover of Mehta Teleservices exceeds the applicable threshold limit [ ` 20 lakh] on 25th October, it becomes liable to registration on said date. Further, since the application for registration has been submitted after 30 days from the

date such person becomes liable to registration, the registration shall be effective from the date of grant of registration. Therefore, the effective date of registration is 5th December.

**Q. 5**

In order to be eligible for grant of registration, a person must have a Permanent Account Number issued under the Income- tax Act, 1961. State one exception to it.

**Answer**

A Permanent Account Number is mandatory to be eligible for grant of registration. One exception to this is a non-resident taxable person. A non-resident taxable person may be granted registration on the basis of other prescribed documents instead of PAN. He has to submit a self-attested copy of his valid passport along with the application signed by his authorized signatory who is an Indian Resident having valid PAN and application will be submitted in a different prescribed form [Section 25(6) & (7)].

**Q. 6**

State which of the following suppliers are liable to be registered: (a) Agent supplying taxable goods on behalf of some other taxable person and its aggregate turnover does not exceed the applicable threshold limit during the financial year. (b) An agriculturist who is only engaged in supply of produce out of cultivation of land and its aggregate turnover exceeds the applicable threshold limit during the financial year

**Answer**

(a) Section 22 stipulates that every supplier becomes liable to registration if his turnover exceeds the applicable threshold limit in a financial year. However, as per section 24, a person making taxable supply of goods/services or both on behalf of other taxable persons whether as an agent or not is liable to be compulsorily registered even if its aggregate turnover does not exceed the applicable threshold limit during the financial year.

(b) As per section 23, an agriculturist who is only engaged in supply of produce out of cultivation of land is not required to obtain registration even if his turnover exceeded the applicable threshold limit for registration.

**Q. 7**

Pure Oils, Delhi has supplied machine oil and high-speed diesel in the month of April as per the details given in table below. Pure Oils is not yet registered.

SL. No.	Particulars	Amount
(i)	Supply of machine oil in Delhi	15,00,000
(ii)	Supply of high speed diesel in Delhi	10,00,000
(iii)	Supply of machine oil made in Punjab by Pure Oils from its branch located in Punjab	10,00,000

\*excluding

GST Determine whether Pure Oils is liable for registration.

**Answer**

As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-

(a) ` 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.  
 (b) ` 20 lakh for the States, namely, States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.

(c) ` 40 lakh for rest of India except persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-

(a) ` 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.  
 (b) ` 20 lakh for the rest of India.

As per section 2(6), aggregate turnover includes the aggregate value of:

- (i) all taxable supplies,
- (ii) all exempt supplies,
- (iii) exports of goods and/or services and
- (iv) all inter-State supplies of persons having the same PAN.

The above is computed on all India basis. Further, the aggregate turnover excludes central tax, State tax, Union territory tax, integrated tax and cess. Moreover, the value of inward supplies on which tax is payable under reverse charge is not taken into account for calculation of 'aggregate turnover'.

Section 9(2) provides that CGST is not leviable on five petroleum products i.e. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel. As per section 2(47), exempt supply includes non-taxable supply. Thus, supply of high speed diesel in Delhi, being a non-taxable supply, is an exempt supply and is, therefore, includible while computing the aggregate turnover.

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

S. No.	Particulars	Amount
Q. 1	Supply of machine oils in Delhi	15,00,000
Q. 2	Add: Supply of high speed diesel in Delhi	10,00,000
Q. 3	Add: Supply of machine oil made by Pure Oils from its branch located in Punjab	10,00,000

	<b>Aggregate Turnover</b>	<b>35,00,000</b>

Pure Oils is making exclusive supply of goods and hence the threshold limit for registration would be ` 40,00,000. Since the aggregate turnover does not exceed ` 40,00,000, Pure Oils is not liable to be registered.

### Q. 8

What will be your answer if in question 8 above, in S.No. (ii), Pure Oils supplies the high speed diesel in Delhi in the capacity of an agent of Mixed Oils Ltd.?

### Answer

In case Pure Oils makes the supply in capacity of an agent of Mixed Oils Ltd.:

Section 24 provides that an agent who is engaged in making taxable supplying of goods on behalf of other taxable persons, shall be liable to obtain registration irrespective of the threshold turnover limit. However, in the present case, if Pure Oils supply high speed diesel on behalf of Mixed Oil Ltd. in Delhi as its agent, it shall still not be liable to obtain registration in Delhi since section 24 comes into play only when agent is making taxable supply of goods on behalf of principal whereas in the given case, Pure Oils is supplying non-taxable goods on behalf of Mixed Oils Ltd.

### Q. 9

Examine whether the supplier of goods is liable to get registered in the following independent cases:-

- (i) Raghav of Assam is exclusively engaged in intra-State taxable supply of readymade garments. His turnover in the current financial year (FY) from Assam showroom is ` 33 lakh. He has another showroom in Tripura with a turnover of ` 11 lakh in the current FY.
- (ii) Pulkit of Panjim, Goa is exclusively engaged in intra-State taxable supply of shoes. His aggregate turnover in the current financial year is ` 22 lakh.
- (iii) Harshit of Himachal Pradesh is exclusively engaged in intra-State supply of pan masala. His aggregate turnover in the current financial year is ` 24 lakh.

### Answer

As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-

- (a) ` 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.
- (b) ` 20 lakh for the States, namely, States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- (c) ` 40 lakh for rest of India except persons engaged in making supplies of ice cream and other edible ice, whether or not containing cocoa, Pan masala and Tobacco and manufactured tobacco substitutes.

In the light of the afore-mentioned provisions, the answer to the independent cases is as under:-

(i) Raghav is eligible for higher threshold limit of turnover for registration, i.e. ` 40 lakh as he is exclusively engaged in intra-State supply of goods. However, since Raghav is engaged in supplying readymade garments from a Special Category State i.e. Tripura, the threshold limit gets reduced to ` 10 lakh. Thus, Raghav is liable to get registered under GST as his turnover exceeds `10 lakh. Further, he is required to obtain registration in both Assam and Tripura as he is making taxable supplies from both the States.

(ii) The applicable threshold limit for registration for Pulkit in the given case is ` 40 lakh as he is exclusively engaged in intra-State taxable supply of goods in Goa. Thus, he is not liable to get registered under GST as his turnover is less than the threshold limit.

(iii) Harshit being exclusively engaged in supply of pan masala is not eligible for higher threshold limit of `40 lakh. The applicable threshold limit for registration in this case is `20 lakh. Thus, Harshit is liable to get registered under GST.

#### Q. 10

Examine whether the supplier is liable to get registered in the following independent cases:-

(i) Ankit of Assam is exclusively engaged in intra-State supply of taxable services. His aggregate turnover in the current financial year is ` 25 lakh.

(ii) Sanchit of Assam is engaged in intra-State supply of both taxable goods and services. His aggregate turnover in the current financial year is ` 30 lakh.

#### Answer

As per section 22 read with *Notification No. 10/2019 CT dated 07.03.2019*, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-

(a) ` 10 lakh for the Special Category States of Mizoram, Tripura, Manipur and Nagaland.

(b) ` 20 lakh for the rest of India.

(i) Though Ankit is dealing in Assam, he is not entitled for higher threshold limit for registration as the same is applicable only in case of exclusively supply of goods and he is exclusively engaged in providing services. Thus, the applicable threshold limit for registration in this case is ` 20 lakh and hence, Ankit is liable to get registered under GST.

(ii) Since Sanchit is engaged in supply of both taxable goods and services, the applicable threshold limit for registration in his case is ` 20 lakh. Thus, Sanchit is liable to get registered under GST as his turnover is more than the threshold limit.

**Q. 11**

What are the advantage of taking registration in GST?

**Answer**

Registration will confer following advantages to the business:

- Legally recognized as supplier of goods or services.
- Proper accounting of taxes paid on the input goods or services which can be utilized for payment of GST due on supply of goods or services or both by the business.
- Legally authorized to collect tax from his purchasers and pass on the credit of the taxes paid on the goods or services supplied to purchasers or recipients.
- Become eligible to avail various other benefits and privileges rendered under the GST laws.

**Q. 12**

Can a person without GST registration collect GST and claim ITC?

**Answer**

No, a person without GST registration can neither collect GST from his customers nor can claim any input tax credit of GST paid by him.

**Q. 13**

If a person is making taxable supplies from different States, with the same PAN number, can he operate with a single registration?

**Answer**

No. Every person who is liable to take a registration will have to get registered separately for each of the States where he has a business operation (and making taxable supplies) provided his aggregate turnover exceeds applicable threshold limit.

**Q. 14**

Can a person having multiple places of business in a State obtain separate registrations for each place of business?

**Answer**

Yes. In terms of the proviso to sub-section (2) of section 25, a person having multiple places of business in a State may obtain a separate registration for each place of business, subject to such conditions as may be prescribed.

**Q. 15**

Is there a provision for a person to get himself voluntarily registered though he may not be liable to pay GST?

**Answer**

Yes. In terms of sub-section (3) of section 25, a person, though not liable to be registered under sections 22 or 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered taxable person, shall apply to such person.



**Q. 16**

Can the Department, through the proper officer, suo-moto proceed to register a person under GST?

**Answer**

Yes. In terms of sub-section (8) of section 25, where a person who is liable to be registered under GST law fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under CGST Act, or under any other law for the time being in force, proceed to register such person in the manner as is prescribed in the CGST Rules.

**Q. 17**

Whether the registration granted to any person is permanent?

**Answer**

Yes, the registration certificate once granted is permanent unless surrendered, cancelled, suspended or revoked.

**Q. 18**

Is it necessary for the UN bodies to get registration under GST?

**Answer**

In terms of section 25(9), all notified UN bodies, Consulate or Embassy of foreign countries and any other class of persons so notified would be required to obtain a unique identification number (UIN) from the GST portal.

The structure of the said ID would be uniform across the States in conformity with GSTIN structure and the same will be common for the Centre and the States. This UIN will be needed for claiming refund of taxes paid on notified supplies of goods and services received by them, and for any other purpose as may be notified.

**Q. 19**

What is the responsibility of the taxable person making supplies to UN bodies?

**Answer**

The taxable supplier making supplies to UN bodies is expected to mention the UIN on the invoices and treat such supplies as supplies to another registered person (B2B).

**Q. 20**

What is the validity period of the registration certificate issued to a casual taxable person and non-resident taxable person?

**Answer**

In terms of section 27(1) read with proviso thereto, the certificate of registration issued to a "casual taxable person" or a "non-resident taxable person" shall be valid for a period specified in the application for registration or 90 days from the effective date of registration, whichever is earlier. However, the proper officer, at the request of the said taxable person, may extend the validity of the aforesaid period of 90 days by a further period not exceeding 90 days.

**Q. 21**

What happens when the registration is obtained by means of willful misstatement, fraud or suppression of facts?

**Answer**

In such cases, the registration may be cancelled with retrospective effect by the proper officer [Section 29(2)(e)].

**Q. 22**

Is there an option to take centralized registration for services under GST Law?

**Answer**

No, the tax payer has to take separate registration in every State from where he makes taxable supply of services.

**Q. 23**

What could be the liabilities (in so far as registration is concerned) on transfer of a business?

**Answer**

The transferee or the successor shall be liable to be registered with effect from such transfer or succession and he will have to obtain a fresh registration with effect from the date of such transfer or succession [Section 22(3)].

**Q. 24**

At the time of registration, will the assessee have to declare all his places of business?

**Answer**

Yes. The principal place of business and place of business have been separately defined under section 2(89) & 2(85) respectively. The taxpayer will have to declare the principal place of business as well as the details of additional places of business in the registration form.

**Q. 25**

Does cancellation of registration impose any tax obligations on the person whose registration is so cancelled?

**Answer**

Yes, as per section 29(5), every registered taxable person whose registration is cancelled shall pay an amount, by way of debit in the 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.

**Q. 26**

Mahadev Enterprises, a sole proprietorship firm, opened a shopping complex dealing in supply of ready-made garments at multiple locations, i.e., in Himachal Pradesh, Uttarakhand and Tripura in the month of June.

It has furnished the following details relating to the supply made at such multiple locations for the month of June: -

Particulars	Himachal Pradesh	Uttarakhand	Tripura
	(Rs.)*	(Rs.)*	(Rs.)*
Intra-State supply of taxable goods	22,50,000	-	7,00,000
Intra-State supply of exempted goods	-	-	6,00,000
Intra-State supply of non-taxable goods	-	21,00,000	40,000

\* Excluding GST

With the help of the above-mentioned information, answer the following questions giving reasons: -

(1) Determine whether Mahadev Enterprises is liable to be registered under GST law and what is the threshold limit of taking registration in this case assuming that it is not required to pay any tax on inward supplies under reverse charge.

(2) Explain with reasons whether your answer in (1) will change in the following independent cases:

(a) If Mahadev Enterprises is dealing exclusively in taxable supply of goods only from Himachal Pradesh.

(b) If Mahadev Enterprises is dealing in taxable supply of goods and services only from Himachal Pradesh.

(c) If Mahadev Enterprises is dealing in taxable supply of goods only from Himachal Pradesh and has also effected inter-State supplies of taxable goods (other than notified handicraft goods and notified hand-made goods) amounting to Rs. 4,00,000.

**Answer**

As per section 22 read with Notification No. 10/2019 CT dated 07.03.2019, a supplier is liable to be registered in the State/ Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under:-

(i) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

(ii) Rs. 20 lakh for the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.

(iii) Rs. 40 lakh for rest of India.

The threshold limit for a person exclusively making taxable supply of services or supply of both goods and services is as under:-

(i) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.

(ii) Rs. 20 lakh for the rest of India.

As per section 2(6), aggregate turnover includes the aggregate value of:

(i) all taxable supplies,

(ii) all exempt supplies,

(iii) exports of goods and/or services and

(iv) all inter-State supplies of persons having the same PAN. The above is to be computed on all India basis.

In the light of the afore-mentioned provisions, the aggregate turnover of Mahadev Enterprises is computed as under:

**Computation of State-wise aggregate turnover of Mahadev Enterprises**

Particulars	Himachal Pradesh	Uttarakhand	Tripura
Intra-State supply of taxable goods	22,50,000	-	7,00,000
Intra-State supply of exempted goods	-	-	6,00,000
Intra-State supply of non-taxable goods [As per section 2(47), exempt supply includes nontaxable supply. Thus, intra-State supply of nontaxable goods in Uttarakhand, being a non-taxable supply, is an exempt supply and is, therefore, included in the aggregate turnover]		21,00,000	40,000
<b>Aggregate Turnover</b>	<b>22,50,000</b>	<b>21,00,000</b>	<b>13,40,000</b>

In the given case, Mahadev Enterprises is engaged in exclusive intra-State supply of goods from Himachal Pradesh, Tripura and Uttarakhand. However, since Mahadev Enterprises makes taxable supply of goods from one of the specified Special Category States (i.e. Tripura), it will not be eligible for the higher threshold limit of Rs. 40 lakh; instead, the threshold limit for registration will be reduced to Rs. 10 lakh.

(1) In view of the above-mentioned provisions, Mahadev Enterprises is liable to be registered under GST law with the aggregate turnover amounting to Rs. 56,90,000 (computed on all India basis) the States of Himachal Pradesh and Tripura since the applicable threshold limit of registration in this case is Rs. 10 lakh. Further, he is not liable to be registered in Uttarakhand since he is not making any taxable supply from Uttarakhand.

(2) (a) If Mahadev Enterprises is dealing in supply of goods only from Himachal Pradesh, the applicable threshold limit of registration would be Rs. 40 lakh. Thus, Mahadev Enterprises will not be liable for registration as its aggregate turnover would be Rs. 22,50,000.

(b) If Mahadev Enterprises is dealing in taxable supply of goods and services only from Himachal Pradesh then higher threshold limit of Rs. 40 lakh will not be applicable as the same applies only in case of exclusive supply of goods. Therefore, in this case, the applicable threshold limit will be Rs. 20 lakh and hence, Mahadev Enterprises will be liable to registration.

(c) In case of inter-State supplies of taxable goods other than notified handicraft goods or notified hand-made products, section 24 requires compulsory registration irrespective of the quantum of aggregate turnover. Thus, Mahadev Enterprises will be liable to registration.

**Q. 27**

LMN Pvt. Ltd., Coimbatore, Tamil Nadu, exclusively manufactures and sells product 'X' which is exempt from GST vide a notification issued under relevant GST legislations. The company sells product 'X' only within Tamil Nadu and is not registered under GST. Further, all the inward supply of the company are taxable under forward charge. The turnover of the company in the previous year was Rs. 45 lakh. The company expects the sales to grow by 30% in the current year. The company purchased additional machinery for manufacturing 'X' on 1<sup>st</sup> July. The purchase price of the capital goods was Rs. 30 lakh exclusive of GST @ 18%.

However, effective from 1<sup>st</sup> November, exemption available on 'X' was withdrawn by the Central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30<sup>th</sup> September was Rs. 45 lakh.

(a) Examine the above scenario and advise LMN Pvt Ltd. whether it needs to get registered under GST.

(b) If the answer to the above question is in affirmative, advise LMN Pvt. Ltd. whether it can avail input tax credit on the additional machinery purchased exclusively for manufacturing "X"?

**Answer**

**(a)** Section 22(1) read with Notification No. 10/2019 CT dated 07.03.2019 inter alia provides that every supplier who is exclusively engaged in intra-State supply of goods is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods only when aggregate turnover in a financial year exceeds Rs. 40,00,000.

However, the above provisions are not applicable to few specified States, i.e. States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand.

Further, a person exclusively engaged in the business of supplying goods and/or services that are not liable to tax or are wholly exempt from tax is not liable to registration in terms of section 23(1)(a).

In the given case, the turnover of the company for the half year ended on 30<sup>th</sup> September is Rs. 45 lakh which is more than the applicable threshold limit of Rs. 40 lakh. Therefore, as per above mentioned provisions, the company should be liable to registration.

However, since LMN Pvt. Ltd. supplied exempted goods till 31<sup>st</sup> October, it was not required to be registered till that day; though voluntary registration was allowed under section 25(3).

However, the position will change from 1<sup>st</sup> November as the supply of goods become taxable from that day and the turnover of company is above Rs. 40 lakh. It is important to note here that in terms of section 2(6), the aggregate turnover limit of Rs. 40 lakh includes exempt turnover also.

Therefore, turnover of 'X' prior to 1<sup>st</sup> November will also be considered for determining the limit of Rs. 40 lakh even though the same was exempt from GST. Therefore, the

company needs to register within 30 days from 1<sup>st</sup> November (the date on which it becomes liable to registration) in terms of section 25(1).

**(b)** Section 18(1)(a) provides that a person who has applied for registration within 30 days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act.

Thus, LMN Pvt. Ltd. cannot avail credit for additional machinery purchased exclusively for manufacturing X as input tax credit of only inputs is allowed when a person gets registered for the first time.

**Q. 28**

SNP Pvt. Ltd., Coimbatore, Tamil Nadu, exclusively manufactures and sells product Z which is exempt from GST vide notifications issued under relevant GST legislations. The company sells product Z only within Tamil Nadu and it not registered under GST. Further, all the inward supplies of the company are taxable under forward charge. The turnover of the company in the previous year was Rs. 55 lakh. The company expects the sales to grow by 20% in the current year. Owing to the growing demand for the product, the company decided to increase its production capacity and purchased additional machinery for manufacturing 'Z' on 1<sup>st</sup> July. The purchase price of such capital goods was Rs. 20 lakh exclusive of GST @ 18%.

However, effective from 1<sup>st</sup> November, exemption available on Z was withdrawn by the Central Government and GST @ 12% was imposed thereon. The turnover of the company for the half year ended on 30<sup>th</sup> September was Rs. 50 lakh.

- (a) The Board of Directors of SNP Pvt. Ltd. wants to know whether they have to register under GST?
- (b) In case in the above question, SNP Pvt. Ltd. is already registered with respect to certain taxable supplies being made by it along with manufacture of exempt product Z', other facts remaining the same, can it take input tax credit on additional machinery purchased exclusively for manufacturing Z? If yes, then how much credit can be availed?

Advice SNP Pvt. Ltd. on the above issues with reference to the provisions of GST law.

**Answer**

**(a)** Section 22(1) read with Notification No. 10/2019 CT dated 07.03.2019 inter alia provides that every supplier who is exclusively engaged in intra-State supply of goods is liable to be registered under GST in the State/ Union territory from where he makes the taxable supply of goods only when aggregate turnover in a financial year exceeds Rs. 40,00,000.

However, the above provisions are not applicable to few specified States, i.e. States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand.

However, a person exclusively engaged in the business of supplying goods and/or services that are not liable to tax or are wholly exempt from tax is not liable to registration in terms of section 23(1)(a).

In the given case, the turnover of the company for the half year ended on 30<sup>th</sup> September is Rs. 50 lakh which is more than the applicable threshold limit of Rs. 40 lakh. Therefore, as per section 22, the company will be liable to registration. However, since SNP Pvt. Ltd. supplied exempted goods till 31<sup>st</sup> October, it was not required to be registered till that day; though voluntary registration was allowed under section 25(3).

However, the position will change from 1<sup>st</sup> November as the supply of goods become taxable from that day and the turnover of company is above Rs. 40 lakh. It is important to note here that in terms of section 2(6), the aggregate turnover limit of Rs. 40 lakh includes exempt turnover also.

Therefore, turnover of 'Z' will be considered for determining the threshold limit even though the same was exempt from GST. Therefore, the company needs to register within 30 days from 1<sup>st</sup> November (the date on which it becomes liable to registration) in terms of section 25(1).

Further, the company cannot avail exemption of Rs. 40 lakh from 1<sup>st</sup> November as the GST law does not provide any threshold exemption from payment of tax but threshold exemption from obtaining registration (which in this case had been crossed).

**(b)** Rule 43(1)(a) of the CGST Rules, 2017 disallows input tax credit on capital goods used or intended to be used exclusively for effecting exempt supplies.

However, as per section 18(1)(d), where an exempt supply of goods and/or services by a registered person becomes a taxable supply, such person gets entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock relating to such exempt supply and on capital goods exclusively used for such exempt supply on the day immediately preceding the date from which such supply becomes taxable.

Rule 40(1)(a) of the CGST Rules, 2017 lays down that the credit on capital goods can be claimed after reducing the tax paid on such capital goods by 5% per quarter of a year or part thereof from the date of the invoice.

Therefore, in the given case, SNP Pvt. Ltd. could not claim credit on machinery till the time the supply of product 'Z' for which said machinery was being used was exempt. However, it can claim credit from 31<sup>st</sup> October - the day immediately preceding the date from which the supply of product 'Z' became taxable (1<sup>st</sup> November).

The credit will be available for the remaining useful life of the machinery and will be computed as follows:

Date of purchase of machinery	1 <sup>st</sup> July
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Date on which credit becomes eligible	31 <sup>st</sup> October
Number of quarters for which credit is to be reduced	2 (including part of quarter)
GST paid on machinery [Rs. 20,00,000 x 18%]	Rs. 3,60,000
Credit to be reduced [Rs. 3,60,000 x 5% x 2]	Rs. 36,000
<b>Amount of credit that can be taken</b> <b>[Rs. 3,60,000 - Rs. 36,000]</b>	<b>Rs. 3,24,000</b>

**Q. 29**

Rishabh Enterprises - a sole proprietorship firm - started an air-conditioned restaurant in Virar, Maharashtra in the month of February wherein the customers are served cooked food as well as cold drinks/non-alcoholic beverages. In March, the firm opened a liquor shop in Raipur, Uttarakhand for trading of alcoholic liquor for human consumption.

Determine whether Rishabh Enterprises is liable to be registered under GST law with the help of the following information:

Particulars	February	March
	(Rs.)*	(Rs.)*
Serving of cooked food and cold drinks/nonalcoholic beverages in restaurant in Maharashtra	5,50,000	6,50,000
Sale of alcoholic liquor for human consumption in Uttarakhand		5,00,000
Supply of packed food items from restaurant in Maharashtra	1,50,000	2,00,000

\* Excluding GST

You are required to provide reasons for treatment of various items given above.

**Answer**

As per section 22 read with Notification No. 10/2019 CT dated 07.03.2019, a supplier is liable to be registered in the State/ Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under: -

- (i) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (ii) Rs. 20 lakh for the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- (iii) Rs. 40 lakh for rest of India.

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under: -

- (i) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (ii) Rs. 20 lakh for the rest of India.

As per section 2(6), aggregate turnover includes the aggregate value of:

- (i) all taxable supplies,
- (ii) all exempt supplies,
- (iii) exports of goods and/or services and
- (iv) all inter-State supplies of persons having the same PAN.

The above is computed on all India basis. Further, the aggregate turnover excludes central tax, State tax, Union territory tax, integrated tax and cess. Moreover, the value of inward supplies on which tax is payable under reverse charge is not taken into account for calculation of 'aggregate turnover'.



In the given question, since Rishabh Enterprises is engaged in making taxable supplies of goods and services from Maharashtra and non-taxable supplies from Uttarakhand, the threshold limit for obtaining registration is Rs. 20 lakh.

In the light of the afore-mentioned provisions, the aggregate turnover of Rishabh Enterprises is computed as under:

**Computation of aggregate turnover of Rishabh Enterprises**

Particulars	Turnover of February (Rs.)	Cumulative turnover of February & March (Rs.)
Serving of cooked food and cold drinks/non-alcoholic beverages in restaurant in Maharashtra	5,50,000	12,00,000 [Rs. 5,50,000 + Rs. 6,50,000]
Add: Sale of alcoholic liquor for human consumption in Uttarakhand [As per section 2(47), exempt supply includes non-taxable supply. Thus, supply of alcoholic liquor for human consumption in Uttarakhand, being a non-taxable supply, is an exempt supply and is, therefore, includible while computing the aggregate turnover.]		5,00,000
Add: Supply of packed food items from restaurant in Maharashtra	1,50,000	3,50,000 [Rs. 1,50,000 + Rs. 2,00,000]
Aggregate Turnover	7,00,000	20,50,000

Rishabh Enterprises was not liable to be registered in the month of February since its aggregate turnover did not exceed Rs. 20 lakh in that month. However, since its aggregate turnover exceeds Rs. 20 lakh in the month of March, it should apply for registration within 30 days from the date on which it becomes liable to registration. Further, he is not liable to be registered in Uttarakhand since he is not making any taxable supply from Uttarakhand. It should obtain registration in Maharashtra.

**Q. 30**

AB Pvt. Ltd., Pune, Maharashtra, provides house-keeping services. The company supplies its services exclusively through an e-commerce website owned and managed by Hi-Tech Indya Pvt. Ltd., Pune. The turnover of AB Pvt. Ltd. in the current financial year is Rs. 18 lakh.

Advise AB Pvt. Ltd. as to whether it is required to obtain GST registration. Will your advice be any different if AB Pvt. Ltd. sells readymade garments exclusively through the e-commerce website owned and managed by Hi-Tech India Pvt. Ltd.?

**Answer**

As per section 22, every supplier of goods or services or both is required to obtain registration in the State/ Union territory from where he makes the taxable supply if his aggregate turnover exceeds threshold limit in a financial year.

However, section 24 enlists certain categories of persons who are mandatorily required to obtain registration, irrespective of their turnover. Persons who supply goods or services or both through such electronic commerce operator (ECO), who is required to collect tax at source under section 52, is one such person specified under clause (ix) of section 24. However, where the ECO is liable to pay tax on behalf of the suppliers of services under a notification issued under section 9(5), the suppliers of such services are entitled for threshold exemption.<sup>30</sup>

Section 2(45)t defines ECO as any person who owns, operates or manages digital or electronic facility or platform for electronic commerce. Electronic commerce is defined under section 2(44) to mean the supply of goods or services or both, including digital products over digital or electronic network. Since Hi-Tech Indya Pvt. Ltd. owns and manages a website for e commerce where both goods and services are supplied, it will be classified as an ECO under section 2(45).

<sup>30</sup> Persons making supplies of services, other than supplies specified under section 9(5) through an ECO who is required to collect tax at source under section 52, and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of Rs. 20 lakh/ Rs. 10 lakh as the case may be, in a financial year, have been exempted from obtaining registration vide Notification No. 65/2017 CT dated 15.11.2017.

Notification No. 17/2017 CT (R) dated 28.06.2017 issued under section 9(5) specifies services by way of house-keeping, except where the person supplying such service through ECO is liable for registration under section 22(1), as one such service where the ECO is liable to pay tax on behalf of the suppliers.

In the given case, AB Pvt. Ltd. provides house-keeping services through an ECO. It is presumed that Hi-Tech Indya is an ECO which is required to collect tax at source under section 52. However, house-keeping services provided by AB Pvt. Ltd., which is not liable for registration under section 22(1) as its turnover is less than Rs. 20 lakh, is a service notified under section 9(5). Thus, AB Pvt. Ltd. will be entitled for threshold exemption for registration and will not be required to obtain registration even though it supplies services through ECO.

In the second case, AB Pvt. Ltd. sells readymade garments through ECO. Such supply cannot be notified under section 9(5) as only supplies of services are notified under that section. Therefore, in the second case, AB Pvt. Ltd. will not be entitled for threshold exemption and will have to compulsorily obtain registration in terms of section 24(ix).

### **Q. 31**

Discuss the procedure for amendment of registration under CGST Act and rules thereto?

### **Answer**

The procedure for amendment of registration are contained in section 28 read with rule 19. The significant aspects of the same are discussed hereunder:

1. Where there is any change in the particulars furnished in registration application/UIN application at the time of obtaining the registration or thereafter, registered person shall submit an application in prescribed manner, within 15 days of such change, along with documents relating to such change at the Common Portal.

2. In case of amendment of core fields of information, the proper officer may, on the basis of information furnished or as ascertained by him, approve or reject amendments in the registration particulars in the prescribed manner. Such amendment shall take effect from the date of occurrence of event warranting such amendment.

3. However, where change relates to non-core fields of information, registration certificate shall stand amended upon submission of the application for amendment on the Common Portal.

4. Where a change in the constitution of any business results in change of PAN of a registered person, the said person shall apply for fresh registration. The reason for the same is that GSTIN is PAN based. Any change in PAN would warrant a new registration.

### Q. 32

Pari & Sons is an unregistered dealer of taxable supplies in Kerala. On 10<sup>th</sup> August, aggregate turnover of Pari & Sons exceeded Rs. 20,00,000. The firm applied for registration on 27<sup>th</sup> August and was granted the registration certificate on 1<sup>st</sup> September.

Under CGST Rules, 2017, you are required to advise Pari & Sons as to what is the effective date of registration in its case. It has also sought your advice regarding period for issuance of revised tax invoices.

### Answer

Section 22(1) provides that every supplier is 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 financial year exceeds the threshold limit.

Section 25(1) provides that a supplier whose aggregate turnover in a financial year exceeds the threshold limit in a State/UT is liable to apply for registration within 30 days from the date of becoming liable to registration (i.e., the date of crossing the threshold limit).

Where the application is submitted within the said period, the effective date of registration is the date on which the person becomes liable to registration vide rule 10(2); otherwise it is the date of grant of registration in terms of rule 10(3).

In the given case, since Pari & Sons have applied for registration on 27<sup>th</sup> August which is within 30 days from the date of becoming liable to registration (10<sup>th</sup> August), its effective date of registration is 10<sup>th</sup> August.

Further, every registered person who has been granted registration with effect from a date earlier than the date of issuance of registration certificate to him, may issue revised tax invoices in respect of taxable supplies effected during this period within one month from the date of issuance of registration certificate [Section 31(3)(a) read with rule 53(2)]<sup>31</sup>.

In view of the same, Pari & Sons may issue revised tax invoices against the invoices already issued during the period between effective date of registration (10<sup>th</sup> August) and the date of issuance of registration certificate (1<sup>st</sup> September), on or before 1<sup>st</sup> October.

**Q. 33**

With the help of the following information in the case of M/s Jayant Enterprises, Jaipur (Rajasthan) for the financial year, determine the aggregate turnover for the purpose of registration under the CGST Act.

Sl. No.	Particulars	Amount (Rs.)
(i)	Sale of diesel on which VAT is levied by Rajasthan Government.	1,00,000
(ii)	Supply of goods, after completion of job work, from the place of Jayant Enterprises directly by principal by declaring the place of M/s Jayant Enterprises as its additional place of business.	3,00,000
(iii)	Export of goods to England (U.K.)	5,00,000
(iv)	Supply to its own additional place of business in Rajasthan.	5,00,000
(v)	Outward supply of services on which GST is to be paid by recipient under reverse charge.	1,00,000

All the above amounts are excluding GST.

You are required to provide reasons for treatment of various items given above.

**Answer**

**Computation of aggregate turnover of M/s Jayant Enterprises for the FY**

Particulars	Rs.
Supply of diesel on which Sales Tax (VAT) is levied by Rajasthan Government [Note-1]	1,00,000
Supply of goods, after the completion of job work, from the place of Jayant Enterprises, directly by the principal [Note-2]	Nil
Export supply to England [Note-3]	5,00,000
Supply to its own additional place of business in Rajasthan <sup>32</sup> [Note-4]	Nil
Outward supply of services on which GST is to be paid by recipient under reverse charge [Note-5]	1,00,000
<b>Aggregate turnover</b>	<b>7,00,000</b>

**Notes: -**

- As per section 2(47), exempt supply includes non-taxable supply. Thus, supply of diesel, being a non-taxable supply, is an exempt supply and exempt supply is specifically includible in aggregate turnover in terms of section 2(6).
- Supply of goods after completion of job work by a principal by declaring the place of business of job worker its additional place of business shall be treated as the supply of goods by the principal in terms of explanation (ii) to section 22.
- Export supplies are specifically includible in the aggregate turnover in terms of section 2(6).
- Supply made without consideration to units within the same State is a not a supply and hence not includible in aggregate turnover.
- Outward supplies taxable under reverse charge would be part of the "aggregate turnover" of the supplier of such supplies. Such turnover is not included as turnover in the hands of recipient.

As per section 22 read with Notification No. 10/2019 CT dated 07.03.2019, a supplier is liable to be registered in the State/ Union territory from where he makes a taxable supply of goods and/or services, if his aggregate turnover in a financial year exceeds the threshold limit. The threshold limit for a person making exclusive intra-State taxable supplies of goods is as under: -

- (i) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (ii) Rs. 20 lakh for the States of Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana and Uttarakhand.
- (iii) Rs. 40 lakh for rest of India.

The threshold limit for a person making exclusive taxable supply of services or supply of both goods and services is as under:-

- (i) Rs. 10 lakh for the States of Mizoram, Tripura, Manipur and Nagaland.
- (ii) Rs. 20 lakh for the rest of India.

The applicable turnover limit for registration, in the given case, will be Rs. 20 lakh as Rajasthan is not a Special Category State and M/s. Jayant Enterprises is engaged in supply of goods and services. Although, the aggregate turnover of M/s Jayant Enterprises does not exceed Rs. 20 lakh, it is compulsorily required to register in terms of section 24(i) irrespective of the turnover limit as it is engaged in making inter-State supply of goods in the form of exports to England.

**Q. 34** Rajesh Dynamics, having its head office in Chennai, Tamil Nadu carries on the following activities with respective turnovers in a financial year:

	<b>Rs.</b>
Supply of petrol at Chennai, Tamil Nadu	18,00,000
Value of inward supplies on which tax is payable on reverse charge basis	9,00,000
Supply of transformer oil at Chennai, Tamil Nadu	2,00,000
Value of branch transfer from Chennai, Tamil Nadu to Bengaluru, Karnataka without payment of consideration	1,50,000
Value of taxable supplies at Manipur branch	11,50,000

It argues that it does not have taxable turnover crossing threshold limit of Rs. 40,00,000 either at Chennai, Tamil Nadu or Bengaluru, Karnataka and including turnover at Manipur branch. Further, it believes that the determination of aggregate turnover is not required for the purpose of obtaining registration but is required for determining the eligibility for composition levy.

Determine the aggregate turnover of Rajesh Dynamics. You are also required to review the technical veracity of the arguments of Rajesh Dynamics.

### **Answer**

#### **Computation of aggregate turnover of Rajesh Dynamics:**

<b>Particulars</b>	<b>Rs.</b>
Supply of petrol at Chennai, Tamil Nadu [Being a nontaxable supply, it is an exempt supply and thus, includible in aggregate turnover vide section 2(6)]	18,00,000
Value of inward supplies on which tax is payable on reverse charge basis	Nil
Supply of transformer oil at Chennai, Tamil Nadu	2,00,000
Value of branch transfer from Chennai, Tamil Nadu to Bengaluru, Karnataka without payment of consideration [Being a taxable supply, it is includible in aggregate turnover]	1,50,000

Value of taxable supplies of Manipur Branch	11,50,000
<b>Aggregate turnover</b>	<b>33,00,000</b>

Rajesh Dynamics is not liable to be registered in Chennai, Tamil Nadu, if his aggregate turnover in a financial year does not exceeds Rs. 40 lakh. However, since Rajesh Dynamics also makes taxable supplies from Manipur, a specified Special Category State, the threshold exemption gets reduced to f 10 lakh in terms of section 22(1) [Notification No.10/2019-CT dated. 07.03.2019].

Rajesh Dynamics' argument that it is not liable to registration since the threshold exemption of 40 lakh is not being crossed either at Chennai, Tamil Nadu, Bengaluru, Karnataka or Manipur is not correct as firstly, the aggregate turnover to be considered in its case is 10 lakh and not 40 lakh and secondly, the same is computed on all India basis and not State-wise.

Apart from this, Rajesh Dynamics is also wrong in believing that aggregate turnover is computed only for the purpose of determining the eligibility limit for composition levy since the aggregate turnover is required for determining the eligibility for both registration and composition levy.

Last but not the least, Rajesh Dynamics is compulsorily required to register under section 24 irrespective of the turnover limit as it is liable to pay tax on inward supplies under reverse charge and it also makes inter-State taxable supply.

#### Q. 35

Mr. J has been involved in supplying taxable material in J&K, since, 1st July 2017. His turnover in the month of Nov 2017 exceeded the limit of Rs. 20 lacs. Mr. J is required to register under GST law?

#### Answer:

Taxable turnover exceeds Rs. 20 lacs, and then the supplier shall apply for registration in the month of Nov 2017. Therefore, Mr. J is required to register under GST law.

#### Q. 36

Mr. C of Calicut is trading on his own goods and also acting as an agent of Mr. B of Bengaluru. Mr. C turnover in the financial year 2017-18 is Rs. 12 lacs in his own account and Rs. 9 lacs on behalf of principal. Whether Mr. C is liable to register compulsorily under GST law.

#### Answer:

As per explanation 1 in computing the total turnover, both the value of supply on his own account that is Rs. 12 lacs and on behalf of principal Rs. 9 lacs will be aggregated. Hence, the aggregate turnover will be Rs. 21 lacs. Mr. C is liable to register compulsorily under the GST law.

#### Q. 37

Mr. Rajan is a farmer with an annual turnover in relation to agriculture of Rs. 18,00,000 lakh. Since this income is agriculture-related, the turnover is exempt from GST. However, Mr. Rajan also supplies plastic bags worth of Rs. 2,50,000 (taxable goods) along with his crop and charges separately for this. Mr. Rajan is required to register under GSTRs. Advise.

#### Answer:

Mr. Rajan is required to register under GST because his aggregate turnover exceeds the threshold limit of Rs. 20 lakh.

**Q. 38**

Mr. X a dealer dealing with Intra State supply of goods and services has place of business in India furnished the following information in the financial year.

1. Sale of taxable goods by Head Office located in Chennai for Rs. 1,00,000
2. Supply of taxable services by Branch office at Bengaluru for Rs. 50,000
3. Supply of goods exempted from GST Rs. 10,000
4. Export of goods and services for Rs. 2,00,000
5. Sale of goods acting as agent on behalf of principal for Rs. 15,00,000

**Answer:****Statement showing aggregate turnover in a Financial Year**

Particulars	Value in Rs.
Sale of taxable goods by Head Office located in Chennai	1,00,000
Supply of taxable services by Branch office at Bengaluru	50,000
Supply of goods exempted from GST	10,000
Export of goods and services	2,00,000
Sale of goods acting as agent on behalf of principal	15,00,000
Aggregate turnover	18,60,000

Since, aggregate turnover does not exceeds Rs. 20 lakhs, Mr. X is not required to register under GST.

**Q. 39**

Mr. CMA Manish, an unregistered person under GST, has place of profession in Bhubaneswar, Odisha, supplies taxable services to Infosys Ltd, a registered person under GST in Bangalore.

Answer the following:

- (a) Is it inter-State supply or intra-State supply.
- (b) Who is liable to pay GST.

**Note:** Mr. CMA Manish turnover in the P.Y. is Rs. 18 lakhs.

**Answer:**

Any person making inter-state supply has to compulsorily obtain registration and therefore in such cases, section 5(4) of IGST will not come into play.

However, Services providers providing aggregate supplies including inter-state services up to Rs. 20 lakh will be exempted from registration.

- (a) It is inter-State supply.
- (b) Mr. C is not liable to pay IGST. Since, registration is not made mandatory to him.

**Q. 40**

M/s Moon Pvt. Ltd. is incorporated in Chennai on 1st July 2019 has the following details for the year 2019-20:

S. No.	Particulars	Value in lacs)
i	Inter-State exempted supply of goods	4.0
ii	Intra-State supplies of services	5.0
iii	Non-taxable supplies	2.0
iv	Exempted supplies of services	0.60
V	Value of export of goods	7.0

M/s Moon Pvt. Ltd. is required to register compulsorily under GST Law, advise.

Whether your answer is different if S. No. (i) above, inter-State taxable supply goods for Rs. 4 lacs.

**Answer:**

**Aggregate turnover is as follows:**

S. No.	Particulars	Value (Rs. in lacs)
I	Inter-State exempted supply of goods	4.0
II	Intra-State supplies of services	5.0
III	Non-taxable supplies	2.0
IV	Exempted supplies of services	0.60
V	Value of export of goods	7.0
	Aggregate turnover	18.60

Advise: Since, aggregate turnover of Moon Pvt. Ltd. does not exceeds Rs. 20 lakhs, registration is not compulsory in the financial year 2019-20.

Yes. Our answer is different in the case of M/s Moon Pvt. Ltd. made inter state taxable supply of goods. As per Sec. 24 of the CGST Act, 2017 Person making any inter-state taxable supply of goods is required to register under GST Law irrespective of his aggregate turnover. Therefore, M/s Moon Pvt. Ltd. is required to register under GST Law.

#### Q. 41

Mr. Gold runs a retail shop for handmade jewellery and is registered in Chennai. Mr. Gold is planning to sell the jewellery at an exhibition in Mumbai, to be held from 1st January 2018 to 10th January 2018. Advise time with regard to registration and payment of GST.

#### Answer:

Mr. Gold should apply for registration as a casual taxable person within 5 days prior to the date of commencing the exhibition on 1st January 2018. Mr. Gold should also make an advance deposit of the estimated tax liability for the period from 1st January 2018 to 10th January 2018.

#### Q. 42

M/s X Ltd is an advertising company located in Chennai and is registered as a normal taxable person there. Now, they have secured an assignment to manage digital marketing for the Koti Deepothsavam Festival, which will take place in Hyderabad, Telangana. This will require M/s X Ltd. to displace some resources in Hyderabad until the festival is over. Advise M/s X Ltd. to obtain for separate registration in the State of Telangana.

#### Answer:

In this case, since M/s X Ltd does not have too many assignments coming from Hyderabad, they can register as a Casual Taxable Person in Telangana for 90 days. This will enable the organizers of the festival to take input credit on all GST paid to M/s X Ltd.

#### Q. 43

M/s X Ltd. incorporated in Bangalore, with its business locations of selling and servicing of goods in Bangalore, Chennai, Mumbai and Kolkata.

M/s X Ltd. an ISD situated in Bangalore receives invoices indicating Z 4 lakhs of Central tax, Z 4 lakhs of State tax and Z 7 lakhs of integrated tax on input service. Input services commonly used by the units of M/s X Ltd. How these taxes are distributed by M/s X Ltd. to their other units.

#### Answer:

M/s X Ltd. can distribute central tax, State tax as well as integrated tax of Z 15 lakhs as credit of integrated tax amongst its locations at Bangalore, Chennai, Mumbai and Kolkata through an ISD invoice containing the amount of credit distributed.

#### Q. 44

M/s XYZ Ltd, having its head Office at Mumbai, is registered as ISD. It has three units in different states namely 'Mumbai', 'Chennai' and 'Delhi' which are operational in the current year. M/s XYZ



Ltd furnishes the following information for the month of December 2017. You are required to distribute the below input tax credit.

- (i) CGST and SGST paid on services used only for Mumbai Unit: Rs. 3,00,000/-
- (ii) IGST, CGST & SGST paid on services used for all units: Rs. 12,00,000/- Total Turnover of the units for the Financial Year 2016-17 are as follows: -

Unit	Turnover in Rs.
Turnover of Mumbai unit	5,00,00,000
Turnover of Chennai	3,00,00,000
Turnover of Delhi	2,00,00,000
Total turnover	10,00,00,000

**Answer:**

**Statement showing distribution of input tax credit:**

Particulars	Credit distributed to all the units			
	Total credit available	Mumbai	Chennai	Delhi
CGST & SGST paid on services used only for Mumbai Unit.	3,00,000	3,00,000	0	0
IGST, CGST & SGST paid on services used in all units Distribution on pro-rata basis to all the units which are operational in the current year	12,00,000	6,00,000	3,60,000	2,40,000
<b>Total</b>	<b>15,00,000</b>	<b>9,00,000</b>	<b>3,60,000</b>	<b>2,40,000</b>

**Working note:**

- (1) CGST & SGST paid on services used only for Mumbai Unit should be distributed only to that unit.
- (2) Credit distributed pro rata basis on the basis of the turnover of all the units is as under -

(a) Unit Mumbai:	$(5,00,00,000/10,00,00,000)*12,00,000$	6,00,000
(b) Unit Chennai:	$(3,00,00,000/10,00,00,000)*12,00,000$	3,60,000
(c) Unit Delhi:	$(2,00,00,000/10,00,00,000)*12,00,000$	2,40,000

**Q. 45**

Discuss under following situations , who is liable pay GST and take GST registration .

S. No.	Cases
1.	Praveen owns a radio taxi. He provides his service in Kolkata through Ola.
2.	Navdeep owns a radio taxi and operates with Delhi based Electronic Commerce Operator( ECO) named "Timepe taxi"
3.	Ganpati ltd. is running a hotel in Mumbai and providing boarding and loading service through "journey .com"(a UK based website). Total turnover of Ganpanti ltd. is Rs. 70 lakhs.
4.	TVM ltd. is running hotel in Kolkata and providing boarding and loading service through "journey .com"(a UK based website). Total turnover of TVM ltd. is Rs.17 lakhs.
5.	Rupesh is a plumber providing housekeeping services through Goclean.com (Nepal based website), turnover of Rupesh is Rs. 15 lakhs.
6.	Mr. C , recovery agent provides recovery service to Punjab national bank..
7.	Mineral exploration contract for 18 months is awarded to a Chennai based company in respect of specific sites in Mumbai by a Mumbai based corporation (i.e. local authority).

**Answer:**

S. No.	Cases	Who is liable to pay GST
1.	Praveen owns a radio taxi. He provides his service in Kolkata through Ola.	Ola or its agent in India.
2.	Navdeep owns a radio taxi and operates with Delhi based Electronic Commerce Operator (ECO) named "Timepe taxi".	ECO "Timepe taxi" will pay GST.
3.	Ganpati ltd. is running a hotel in Mumbai and providing boarding and loading service through "journey.com" (a UK based website). Total turnover of Ganpanti ltd. is Rs. 70 lakhs.	Ganpati ltd. will pay GST.
4.	TVM ltd. is running hotel in Kolkata and providing boarding and loading service through "journey.com" (a UK based website). Total turnover of TVM ltd. is Rs. 17 lakhs.	"journey.com" or its agent in India will pay GST.
5.	Rupesh is a plumber providing house keeping services through Goclean.com (Nepal based website), turnover of Rupesh is Rs. 15 lakhs.	Goclean.com or its agent in India will pay GST.
6.	Mr. C, recovery agent provided recovery service to Punjab national bank.	Punjab national bank will be liable to pay GST under reverse charge mechanism.
7.	Mineral exploration contract for 18 months is awarded to a Chennai based company in respect of specific sites in Mumbai by a Mumbai based corporation (i.e. local authority).	Chennai based company will pay GST.

**Q. 46**

State any five circumstances under which registration can be cancelled by tax payer and also explain the procedure of cancellation of registration .

**Answer:**

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. Under following circumstances registration can be cancelled by tax payer [section 29(1)]:

- Business has been discontinued.
- Business has been sold or transferred to some other party.. Change in the constitution of the business (like Partnership firm now converted into Private Limited company and so on).
- Amalgamation with other legal entity. Death of the proprietor.

**Procedure for cancellation of registration:**

1. A registered person , other than a person to whom registration has been a registration has been granted or a person to whom a unique identity number has been granted, seeking cancellation of his registration shall electronically submit an application in Form GST REG-16,
2. A proper officer can send the show cause / cancellation notice to a registered person in FORM GST REG -17.
3. The concerned person must reply back within 7 days of notice explaining why his/her registration should not be cancelled. The reply to the show cause notice issued shall be furnished in FORM REG-18.
4. This form will be used by the proper officer to issue a formal order for cancellation of registration. The order is to be sent within 30 days from the application date or from the date of response in FORM GST REG- 19.

5. If proper officer is satisfied with the explanation, he can use this form to drop the cancellation proceeding and pass a formal order in FORM GST REG-20.

**Q. 47**

Write a short note on “Concept of distinct person under GST”.

**Answer:**

Distinct persons are persons with different GSTINs belonging to one legal entity (single PAN) situated within the same state or in two different states or in a different country.

Provisions of Distinct Person under the CGST (Amendment) Act [u/s 25 (2),(4) and (25):

- (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.
- (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.  
 For example: If person has one place of business in Maharashtra for which registration is obtained and another place of business of the same person in Gujarat for which registration is obtained then such place of businesses will be considered as distinct person.
- (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.

**Q. 48**

Write a short note on “Advantages of voluntary registration under GST”.

**Answer:**

**Advantages of voluntary registration under GST:**

- (i) Legally recognized as supplier of goods or services; this helps in attracting more customers.
- (ii) Provide input tax credit to customers. As they can issue taxable invoices, they can collect GST. Their customers can take input credit on their purchases.
- (iii) They will be more competitive than other small business as buying from them will ensure input credit.
- (iv) Voluntarily registered persons can take input credit on their own purchases and input services like legal fees, consultation fees etc.
- (v) They can make inter-state sales without any restrictions.

**Q. 49**

Mrs. Lakshmi, intending to start a new business in January 2020, furnishes the following information pertaining to the period upto 31.03.2020

Estimated supplies	Rs.
Intra-State supplies of taxable goods	14,00,000
Intra-state supplies of exempt services	4,00,000
Export sales	3,20,000
Supplies made as agent of a principal	2,40,000

Ascertain the aggregate turnover. She wants to know whether she should get herself registered for GST purposes. You are required to help her. Further, what will be the GST payable by her, if the GST rate for taxable goods supplied is 18%?

**Answer:**

**Computation of aggregate turnover**

Estimated supplies	Amount in (Rs.)
Intra-State supplies of taxable goods	14,00,000
Intra-state supplies of exempt services	4,00,000
Export sales	3,20,000
Supplies made as agent of a principal	2,40,000
Aggregate turnover	23,60,000

Since the aggregate turnover exceeds Rs. 20 lakhs, Mrs. Lakshmi has to get her registered.

**Computation of taxable supplies and GST**

Estimated supplies	Amount in (Rs.)
Intra-State supplies of taxable goods	14,00,000
Intra-state supplies of exempt services	Nil
Export sales	Nil
Supplies made as agent of a principal	Nil
Aggregate taxable supplies	14,00,000
Estimated GST payable:	
CGST @9%	1,26,000
SGST @9%	1,26,000

**Q. 50**

Describe the procedure for application of registration and filing of returns by the casual taxable persons.

**Answer:**

**Application for Registration by Casual taxable persons:**

Casual taxable persons are required to obtain GST registration under a special category at least 5 days prior to the undertaking business.

There is no special form to register as a casual taxable person. Casual taxable person can use the normal form GST REG-01 which is used by other taxable persons for registration.

A casual taxable person, before applying for registration, declares his:

- Permanent Account Number,
- mobile number,
- e-mail address,
- State or Union territory

In Part A of FORM GST REG-01 on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes. The mobile number declared shall be verified through a one-time password sent to the said mobile number; and the e-mail address shall be verified through a separate one-time password sent to the said e-mail address.

On successful verification of the Permanent Account Number, mobile number and e-mail address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address. Using this reference number generated, the applicant shall electronically submit an application in Part B of FORM GST REG-01, duly signed or verified through electronic verification code, along with the documents specified in the said Form

at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

**Returns by Casual taxable persons:**

The casual taxable person is required to furnish the following returns electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

**1) Form GSTR-1:** giving the details of outward supplies of goods or services to be filed on or before the tenth day of the following month.

**2) Form GSTR-2:** giving the details of inward supplies to be filed after tenth but before the fifteenth day of the following month.

**3) Form GSTR-3:** to be filed after fifteenth day but before the twentieth day of the following month.

Annual return: However, a casual tax person shall not be required to file any annual return as required by a normal registered taxpayer.

**Q. 51**

State the procedure to be adopted for registration under GST.

**Answer:**

Procedure to be adopted for registration under GST [u/s 25 of CGST Act]:

Every person who is liable to be registered shall apply for registration within 30 days from the date on which he becomes liable to registration. Before applying for registration, he should declare his:

1. Legal name of business
2. PAN,
3. Mobile number,
4. e-mail address,
5. State or Union territory

In Part A of Form GST REG -01 on Common Portal.

On successful verification of these matters, a reference number will be generated.

Applicant shall submit Part B of Form GST REG-01, duly signed, along with documents specified in the said Form at the Common Portal.

Form GST REG-02 is the acknowledgement of Application.

If these documents are found to be in order, the Proper Officer shall approve the registration within 3 working days from the date of submission.

**Q. 52**

Write a Short note on "Distinct person under GST Act".

**Answer:**

Distinct persons are persons with different GSTINs belonging to one legal entity (single PAN) situated within the same state or in two different states or in a different country.

Provisions of Distinct Person under the CGST (Amendment) Act [u/s 25(2),(4) and 25]

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.

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 States or Union territory shall in respect of each such registration, be treated as distinct person for the purpose of this Act.

Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment in another State or Union territory, then such establishment shall be treated as establishments of distinct persons for the purpose of this Act.

**Q. 53**

Write a short note on "Aggregate Turnover as per section 2(6) of the CGST Act"

**Answer:****Aggregate turnover as per Section 2(6) of CGST Act, 2017:**

The term "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.

Aggregate turnover includes:

- The value of exported goods/services
- Exempted goods/services or both which attracts nil rate of tax or wholly exempt from tax and includes non taxable supply.
- Inter-state supplies between distinct persons having same PAN
- Supply on own account and on behalf of principal.

**Aggregate turnover excludes:**

- Inward supplies on which the recipient is required to pay tax under Reverse Charge Mechanism (RCM).
- Central tax (CGST),
- State tax (SGST),
- Union territory tax and
- Integrated tax (IGST)
- Compensation Cess

**Q. 54**

What are the advantages of taking registration in GST? Explain the conditions subject to which separate registration can be granted for multiple business verticals within a State or Union Territory.

**Answer:**

Advantages of taking registration in GST:

1. Legally recognised as supplier of goods or services.
2. Proper accounting of taxes paid on the input goods or services which can be utilised for payment of GST due on supply of goods or services or both by the business.
3. Legally authorised to collect tax from the purchasers and pass on the credit of the taxes paid on the goods or services supplied to the purchasers or recipients.

Separate registration for multiple business verticals within a State or Union Territory [Rule 11 of the CGST Rules, 2017]:

(1) As per Rule 11(1) Any person having multiple business verticals within a State or a Union territory, requiring a separate registration for any of its business verticals shall be granted separate registration in respect of each of the verticals subject to the following conditions, namely:-

- (A) Such person has more than one business vertical;
- (B) The business vertical of a taxable person shall not be granted registration to pay tax under section 10 (composition levy) if any one of the other business verticals of the same person is paying tax under section 9;

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 of the said person shall become ineligible to pay tax under the said section.

(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.

(2) A registered person eligible to obtain separate registration for business verticals may submit a separate application in FORM GST REG-01 in respect of each such vertical. [Rule 11(2)]

(3) The provisions relating to the verification and the grant of registration shall, mutatis mutandis, apply to an application submitted under this rule.

**Q. 55**

State the advantages to a taxpayer for obtaining registration under GST.

**Answer:**

The following are advantages to a taxpayer who obtain registration under GST:

- (i) He is legally recognized as supplier of goods or services or both.
- (ii) 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.
- (iii) 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.
- (iv) Seamless flow of Input Tax Credit from suppliers to recipients at the national level.
- (v) Registered person is eligible to apply for Government bids or contracts or assignments.
- (vi) Registered person under GST can easily gain trust from customers.

**Q. 56**

Mr. Vishnu, who has started a business for supply of goods and services in Tamil Nadu, furnishes the following information pertaining to the period commencing on 01-07-2017 and ended on 31-03-2018:

Sl No.	Particulars	Amount (Rs.)
(i)	Sale of diesel on which Sale Tax (VAT) is levied by Tamil Nadu Government	7,00,000
(ii)	Supply of goods, after completion of job work, from the place of Mr. Vishnu, directly by his principal under whom he is registered as job worker	4,20,000
(iii)	Export supply to Dubai	6,00,00
(iv)	Supply to its own additional place of business in Tamil Nadu, under same registration	5,00,000
(v)	Supply of goods exempt from GST	8,20,000

You are required to help him in deciding whether he has to go for registration under GST law.

**Answer:**

**Computation of aggregate turnover for CGST registration**

S. No.	Particulars	Amount (Rs.)
(i)	Sale of diesel on which Sale Tax (VAT) is levied by Tamil Nadu Government. As per section 2(47) of the CGST Act, 2017, non-taxable supply of goods like diesel, to be also included	7,00,000
(ii)	Supply of goods, after completion of job work, from the place of Vishnu, directly by his principal. This will be treated as the supply of goods by the principal in terms of explanation (ii) to section 22 of the CGST Act, 2017.	Nil

(iii)	Export supply to Dubai Specifically includible in the aggregate turnover in terms of section 2(6) of the CGST Act, 2017.	6,00,000
(iv)	Supply to its own additional place of business in Tamil Nadu Supply made without consideration to units within the same State (under same registration) is a not a supply and hence not includible in aggregate turnover.	Nil
(v)	Supply of goods exempt from GST As per section 2(47) of the CGST Act, 2017, supply of exempt goods like diesel, to be also included	8,20,000
	Aggregate turnover for CGST registration purposes	21,20,000

Since the aggregate turnover exceeds Rs.20 laksh, Vishnu has to get himself registered. He should be advised accordingly.

**Note:** as Mr. Vishnu makes export supply, he is a person making interstate taxable supply and is liable for compulsory registration under Section 24 of CGST Act, irrespective of whether his turnover exceeds the threshold limit of Rs.20 lakhs or not.

**Q. 57**

Discuss the following with reference to the provisions of CGST Act:

- (i) Persons who are not liable for registration; and
- (ii) Persons who are compulsorily required to be registered.

**Answer:**

**(i) Persons not liable for registration:**

- a. Sec 23(1)(a): Any person engaged exclusively in the business of supplying of goods or services or both they are not liable to tax or wholly exempt from tax under CGST or IGST.
- b. Sec 23(1)(b): An agriculturist, to the extent of supply of produce out of cultivation of land.
- c. Sec 23(2): The government may, on the recommendation of the GST Council. Specify/notify such persons/class of persons.

**(ii) Compulsory registration in certain cases:**

Sec 24: The following categories of persons shall be required to be registered under GST:

- 1) Persons making any inter - state taxable supply;
- 2) Casual taxable person making taxable supply;
- 3) Person who are required to pay tax under reverse charge;
- 4) Persons who are required to pay tax under sec. 9(5) of CGST (i.e., Electronic commerce operator);
- 5) Non - resident taxable person making taxable supply;
- 6) Person who are required to deduct tax under sec 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 services distributor, whether or not separately registered under CGST;
- 9) Persons who supply of goods or services or both, other than supplies specified under Sec 9(5), through such electronic commerce operator who is required to collect tax at source under Sec 52;
- 10) Every electronic commerce operator;
- 11) Every person supplying online information and database access or retrieval services from place outside India to a person in India, other than a registered person; and
- 12) Such other person or class of person as may be notified by the Govt. on the recommendation of the council.

**Q. 58**

Mrs. Lakshmi, intending to start a new business in January, 2018, furnishes the following information pertaining to the period upto 31.03.2018:



Estimated supplies	(Rs.)
Intra-State supplies of taxable goods	14,00,000
Intra-State supplies of exempt services	4,00,000
Export sales	3,20,000
Supplies made as agent of a principal	2,40,000

Ascertain the aggregate turnover. She wants to know whether she should get herself registered for GST purposes. You are required to help her. Further, what will be the GST payable by her, if the GST rate for taxable goods supplied is 18%?

**Answer:**

**Computation of aggregate turnover**

Estimated supplies	Amount (Rs.)
Intra-State supplies of taxable goods	14,00,000
Intra-State supplies of exempt services	4,00,000
Export sales	3,20,000
Supplies made as agent of a principal	2,40,000
Aggregate turnover	23,60,000

Since the aggregate turnover exceeds Rs. 20 lakhs, Mrs. Lakshmi has to get her registered.

**Computation of taxable supplies and GST**

Estimated supplies	Amount
Intra-State supplies of taxable goods	14,00,000
Intra-State supplies of exempt services	Nil
Export sales	Nil
Supplies made as agent of a principal	Nil
Aggregate taxable supplies	14,00,000
Estimated GST payable:	
SGST at 9%	1,26,000
CGST at 9%	1,26,000

Alternative answer: As per sec. 24 (vii) of the CGST Act it is states that persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise, have to mandatorily take registration irrespective of their amount of turnover. As per this provision, threshold limit of Rs. 20 lakhs (Rs. 10 lakhs in special category of states) is not applicable for intermediaries.

**Q. 59**

Write a short note on "Advance payment of GST and refund claim by casual trading person"

**Answer:**

**Advance payment of GST:**

The Common Portal, after making the mandatory advance deposit of tax for an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought will give the applicant a temporary reference number. The registration certificate shall be issued electronically only after the said deposit appears in his electronic cash ledger.

The amount deposited shall be credited to the electronic cash ledger of casual taxable person. On depositing the amount, an acknowledgement shall be issued electronically to the applicant in FORM GST REG-02.

The casual taxable person can make taxable supplies only after the issuance of the certificate of registration.

**Refund by Casual taxable person:**

The casual taxable person is eligible for the refund of any balance of the advance tax deposited by him after adjusting his tax liability. The balance advance tax deposit can be refunded only after all the returns have been furnished, in respect of the entire period for which the certificate of registration was granted to him had remained in force.

The refund relating to balance in the electronic cash ledger has to be made in serial no. 14 of the last FORM GSTR-3 return required to be furnished by him.

**Q. 60**

Discuss the circumstances where registration is liable to be cancelled.

**Answer:**

Section 29(1) of the CGST Act, 2017 provides that 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:

1. 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
2. There is any change in the constitution of the business; or
3. 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

Further, section 29(2) of the CGST Act, 2017 provides that the proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where, —

- A. a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
- B. person paying tax under section 10 has not furnished returns for three 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 six months; or
- D. any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or
- E. Registration has been obtained by means of fraud, wilful misstatement or suppression of facts further, the proper officer shall not cancel the registration without giving the person an opportunity of being heard.

**Q. 61**

Pure Oils, Delhi has started the supply of machine oils and high-speed diesel in the month of April, 20XX. The following details have been furnished by it for the said month:

SI. No.	Particulars	Rs. *
(i)	Supply of machine oils in Delhi	2,00,000
(ii)	Supply of high-speed diesel in Delhi	4,00,000
(iii)	Supply made through Fortis Lubricants- an agent of Pure Oils in Delhi	3,75,000
(iv)	Supply made by Pure Oils from its branch located in Punjab	1,80,000

\* excluding GST

Determine whether Pure Oils is liable for registration. Will your Answer change, if Pure Oils supplies machine oils amounting to Rs. 2,50,000 from its branch located in Himachal Pradesh in addition to the above-mentioned supplies?

**Answer:**

As per section 22 of the CGST Act, 2017, a supplier is liable to be registered in the State/Union territory from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds Rs.20 lakhs.

However, if such taxable supplies are made from any of the specified special category States, namely, States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand, he shall be liable to be registered if his aggregate turnover in a financial year exceeds Rs.10 lakhs. As per section 2(6) of the CGST Act, 2017, aggregate turnover includes the aggregate value of:

- i) All taxable supplies,
- ii) All exempt supplies,
- iii) Exports of goods and/ or services and
- iv) All inter-state supplies of persons having the same PAN.

The above is computed on all India basis. Further, the aggregate turnover excludes central tax, state tax, union territory tax, integrated tax and cess. Moreover, the value of inward supplies on which tax is payable under reverse charge is not taken into account for calculation of 'aggregate turnover'.

Further, the explanation to section 22 provides that 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.

Section 9 of the CGST Act, 2017 provides that CGST is not leviable on five petroleum products i.e. petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel. As per section 2(47) of the CGST Act, 2017, exempt supply includes non-taxable supply. Thus, supply of high-speed diesel in Delhi, being a non-taxable supply, is an exempt supply and is, therefore, includible while computing the aggregate turnover.

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

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

Since the aggregate turnover does not exceed Rs.20 Lakhs, Pure Oils is not liable to be registered. If Pure Oils made supply of machine oils amounting to Rs.2,50,000 from its branch in Himachal Pradesh in addition to the above supply, then threshold limit of registration will be reduced to Rs.10 lakhs as Himachal Pradesh is one of the specified special Category States.

Aggregate Turnover in that case would be Rs. 7,80,000 + Rs. 2,50,000 = Rs. 10,30,000. So, if Pure Oils supplies machine oils amounting to Rs. 2,50,000 from its branch in Himachal Pradesh, then it is liable to be registered.

**Q. 62**

In order to be eligible for grant of registration, a person must have a Permanent Account Number issued under the Income-tax Act, 1961. State one exception to it.

**Answer:**

A Permanent Account Number is mandatory to be eligible for grant of registration. One exception to this is a non-resident taxable person. A non-resident taxable person may be granted registration on the basis of other prescribed documents instead of PAN. He has to submit a self-attested copy of his valid passport along with the application signed by his authorized signatory who is an Indian Resident having valid PAN and application will be submitted in a different prescribed form [Section 25(6) & (7)].