

Chapter 7

Registration

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Statutory Provisions

22. Persons liable for registration

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

Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.

¹*[Provided further that the Government may, at the request of a special category State and on the recommendations of the Council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified]*

²*[Provided also that the Government may, at the request of a State and on the recommendations of the Council, enhance the aggregate turnover from twenty lakh rupees to such amount not exceeding forty*

¹Inserted vide The Central Goods & Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019.

²Inserted vide The Finance (No. 2) Act, 2019 w.e.f. dt. 01.01.2020 through Noff No. 01/2020-CT dt. 01.01.2020.

lakh rupees in case of supplier who is engaged exclusively in the supply of goods, subject to such conditions and limitations, as may be notified.

Explanation.—For the purposes of this sub-section, a person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.]

- (2) *Every person who, on the day immediately preceding the appointed day, is registered or holds a licence under an existing law, shall be liable to be registered under this Act with effect from the appointed day.*
- (3) *Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.*
- (4) *Notwithstanding anything contained in sub-sections (1) and (3), in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal.*

Explanation. For the purposes of this section, —

- (i) *the expression “aggregate turnover” shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals;*
- (ii) *the supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of such goods shall not be included in the aggregate turnover of the registered job worker;*
- (iii) *the expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution ³[except the State of Jammu & Kashmir] ⁴[and*

³ Inserted vide The Central Goods and Services Tax (Extension to Jammu and Kashmir) Act, 2017 (No. 26 of 2017) (Corrigendum for this provision issued vide Indian Institutes of Management Act, 2017 dated 31.12.2017 - Brought into force w.e.f. 08.07.2017.

States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand].

Extract of the CGST Rules, 2017

18. Display of registration certificate and Goods and Services Tax Identification Number on the name board.

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

Related provisions of the Statute:

Section or Rule	Description
Section 2(6)	Definition of 'Aggregate Turnover'
Section 24	Compulsory registration
Section 25	Procedure for registration

22.1 Introduction

This section provides for registration of every supplier effecting taxable supplies, subject to a threshold limit. Registration of a business with the tax authorities implies obtaining a unique identification code (i.e., GSTIN) from the concerned tax authorities so that all the operations of, and data relating to the business can be agglomerated and correlated. In any tax system, this is the most fundamental requirement for identification of the business for tax purposes and for having any compliance verification mechanism. A registration from the concerned tax authorities will confer, among others, the following advantages to the registrant:

- Legally recognised as a supplier of goods and/or services;
- Proper accounting of taxes paid on the input goods and/ or services;
- Utilisation of input taxes for payment of GST due on supply of goods and/ or services;
- Pass on the credit of the taxes paid on the goods and/ or services supplied to purchasers or recipients.

⁴*Inserted vide The Central Goods & Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019.*

22.2 Analysis

- Every supplier shall be liable to be registered under the Act in the State from which he makes a taxable supply of goods or services or both. **It is important to note that registration is required 'in' the State 'from which' taxable supplies are made.** Registration is not required 'in' the State 'to' which taxable supplies are made, even though this is a destination-based tax. This greatly reduces the burden of the taxable person from having to seek registration in every State 'to' which taxable supplies are made. If the supplies being in the nature of Inter State Supply, which is made 'to' another State, then the nature of tax will not be CGST-SGST but IGST and is paid to the Centre who will ensure that the same reaches the appropriate 'destination' State. Therefore, for purposes of obtaining registration, it is important to identify the 'origin' of supply even though GST is a 'destination' based tax. Tax goes to the destination State, but registration is in the origin-State. Place of supply (as determined from IGST Act) provides the 'destination' and this is not relevant for registration. The location of Supplier is relevant for registration.

The State "from" where taxable supply is made is a question of fact and that must be determined based on the requirement of law. In the case of services, location of Supplier of services is defined in section 2(71) of CGST Act but in the case of goods, location of Supplier of goods is not defined. And this is not an oversight but deliberate. Services leave no trail as to the location 'from' where they are supplied and for that reason, a definition is required. Whereas goods leave a trail, that is, where the goods are actually 'located'. This can be seen from the definition of Place of Business [section 2(85)] of CGST Act. Place of Business is where business is 'ordinarily carried on' – this would be the location 'from' where taxable supplies are made, whether for goods or for services. But, if this is not (in case of goods), this definition goes on to include 'place where goods are stored'. Hence, location of Supplier of goods is where business is ordinarily carried on or where the goods themselves are located, if that were more accurate. *For example*, a company incorporated outside India purchases goods from a manufacturer and instructs that the goods be deposited with a warehouse-keeper in India. And then after some time, supplies the goods from the warehouse to a customer, who is also within India. For the Company though being incorporated outside India, the place where business is ordinarily carried on is not in India but the location where goods are stored being within India, attracts the

requirement to register at the warehouse. Care should be taken to correctly identify where registration ought to be obtained so as not to end up with a serious misapplication of the requirements of law.

At this point, it would also be relevant to note the difference in sections 22(1) of CGST Act when compared with sections 22(1) of any State GST Act:

Section 22(1) of the CGST Act	Section 22(1) of any SGST Act
<i>Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees.</i>	<i>Every supplier making a taxable supply of goods or services or both in the State shall be liable to be registered under this Act if his aggregate turnover in a financial year exceeds twenty lakh rupees.</i>

Comparison of the provisions:

Point of Difference	CGST Act	SGST Acts
Applicable to	<i>Every supplier</i>	<i>Every supplier</i>
Responsibility	<i>shall be liable to be registered under this Act</i>	<i>shall be liable to be registered under this Act</i>
Jurisdiction	<i>in the State or Union territory from where</i>	<i>in the State</i>
Exception	<i>other than special category States</i>	
Activity	<i>makes a taxable supply of goods or services or both</i>	<i>making a taxable supply of goods or services or both in the State</i>
Criteria	<i>if his aggregate turnover in a financial year exceeds twenty lakh rupees</i>	<i>if his aggregate turnover in a financial year exceeds twenty lakh rupees</i>

Given the difference in sections 22(1) of CGST and in SGST Act, one may argue that based on the provisions of SGST Act, the registration is required “in the State from where” taxable supplies are made and NOT

State “where supplier is located”. Care must be taken to identify the *situs* for registration carefully. Very often it is seen that ‘place of supply’ is interchanged with ‘place of business’. It is the ‘place of business’ that guides *situs* and not ‘place of supply’. Refer discussion in the context of section 2(85) and the illustrations provided therein.

Section 22(1) prescribes an ‘exemption threshold’ from obtaining registration. In other words, even if a person makes taxable supplies attracting levy of tax under section 9(1), such person will neither be required to obtain registration nor pay any GST. That is the effect of exemption threshold that will exempt payment of GST indirectly instead of an direct exemption being available under section 11. Refer discussion under section 11 for understanding operation of that exemption to supply after exemption to threshold has been exhausted.

Registration is required if the aggregate turnover in a financial year exceeds rupees twenty lakhs. This threshold limit will be rupees ten lakhs if a taxable person conducts his business in any of the special category States as specified in sub-clause (g) of clause (4) of Article 279A of the Constitution.

Effect of this ‘reduced exemption threshold’ on ‘exemption threshold’ in other

non-special category States will have to be understood. And this merges from the observation that this *first proviso* to section 22(1) also appears in SGST Act. Now, it is important to understand whether this *proviso* will affect registration only of special category States or all States. Say that a person in, say, Karnataka has a branch in any of special category States, say, Mizoram, then the threshold for registration in Mizoram which is ₹.10 lakhs should not normally affect the threshold for registration in Karnataka. But existence of this proviso in Karnataka GST Act makes the threshold (for requirement to obtain registration) stand revised to Rs.10 lakhs in Karnataka too. If that were not the case, why would Karnataka GST Act have to touch upon presence of branch in Mizoram (belonging to same person). So, a person in any non-special category State must be very careful while considering ‘exemption threshold’ based on the presence (or absence) of branch in any special category State (liable to obtain registration due to ‘place of business’ ‘in’ such State). Shifting of ‘exemption thresholds’ is discussed later.

In case of Special Category States, registration shall be required if the aggregate turnover in a financial year exceeds ₹ 10 lakhs. The

Government may enhance this aggregate turnover limit at the request of a Special Category State and on the recommendations of the council from ₹ 10 lakhs to an amount not exceeding ₹ 20 lakhs.

As per explanation (iii) to section 22, the expression “**Special Category States**” shall mean the States as specified in Article 279A (4) (g) of the Constitution except the State of Jammu and Kashmir and States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand. [Based on Central Goods and Services Tax (Amendment) Act, 2018, notified w.e.f. 01.02.2019 vide *Notification No.02/2019 – Central Tax dated 29.01.2019.*] Accordingly, from 01.02.2019, Special Category States for the purpose of registration shall be the States of **Manipur, Mizoram, Nagaland and Tripura** only. Hence, the threshold limit of ₹ 10 lakh shall be applicable for Manipur, Mizoram, Nagaland and Tripura.

Further, in case of a person engaged exclusively in supply of goods, as per the *third proviso* to section 22(1) inserted by Finance (No. 2) Act, 2019 w.e.f. 01.01.2020, the Central Government may enhance the aggregate turnover from ₹ 20 lakh to ₹ 40 lakh, subject to certain conditions and restrictions as may be prescribed. Similar to the *second proviso*, this benefit is granted at the request of the State after the same is duly recommended by the GST Council.

Before the above insertion of third proviso, the Government as empowered under section 23(2) of the CGST Act, 2017, provided an exemption from registration w.e.f. 01.04.2019 vide *Notification No. 10/ 2019-Central Tax dated 07.03.2019*. The Notification provides that any person, who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed 40 lakh rupees is exempted from taking registration under the said Act except if -

- they are compulsorily required to register under section 24 of the said Act;
- they are engaged in making supplies of ice-cream and other edible ice, pan masala tobacco; Fly ash bricks; Fly ash aggregates; Fly ash blocks; Bricks of fossil meals or similar siliceous earths; Building bricks; Earthen or roofing tiles;
- they have taken voluntary registration;

- they are engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand

Therefore, the above notification effectively increases the threshold limit for persons who are engaged in exclusive supply of goods for the purpose of GST Registration from ` 20 Lakhs to ` 40 Lakhs.

Now the moot question arises - whether the value of supply of exempt services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount, shall be included in calculating the aggregate turnover of ` 40 lakhs as per this Notification. In the said Notification, there is no provision allowing the supplier to also be engaged in exempt supply of services (unlike in the case of section 22(1) notified w.e.f. 01.01.2020). Hence, if such persons provide any services, then such exemption will not be applicable.

However, there is another school of thought connected to the limit of ` 40 Lakhs prescribed in the above referred exemption notification. Few experts are of the view that the person who is engaged in supply of goods can also engage in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discounts. This analogy is drawn on the fact that the Government has, through various Notifications⁵ and Removal of Difficulty Orders⁶, for the purpose of calculating the turnover for Composition Scheme and for calculation of reversal of input tax credit under rule 42 and rule 43, specifically stated to exclude such income from aggregate turnover. The proviso inserted in section 22(1) also provides such exclusion. Thus, they are of the view that the intention of the lawmakers is thus not to consider such income. However, one must exercise caution while availing exemption from registration under this Notification based on such analogy.

It is pertinent to mention that for the purpose the entire section 22(1), a person would be considered to be 'exclusively supplying goods' even if he is also engaged in exempted supply of services by way of extending

⁵ *Notf No.2/2019-CT (R) dt. 07.03.2019.*

⁶ *Central Goods and Services Tax (Removal of Difficulties) Order No. 01/2019 dated 01.02.2019.*

deposits, loans or advances where consideration is in form of interest or discount.

Based on options exercised and corresponding State notifications, please refer table below for persons in various States/UTs and their respective 'exemption threshold' in case outwards supplies are 'exclusively goods' (subject to relaxation of interest income) and 'goods and services':

<i>Type of Supply</i>	Upto 31.01.2019		W.E.F. 01.02.2019		W.E.F. 01.01.2020	
	<i>Normal States/ UT</i>	<i>Special Category State</i>	<i>Normal States/ UT</i>	<i>Special Category State (SCS)</i>	<i>Normal States/ UT</i>	<i>Special Category State</i>
Only Goods	20 lakhs	10 lakhs	20 lakhs	Amount not exceeding 20 lakhs, if opted by the SCS	Amount not exceeding 40 lakhs if opted by the States*	Amount not exceeding 20 lakhs, if opted by the SCS
Services/ Goods & Services	20 lakhs	10 lakhs	20 lakhs	Amount not exceeding 20 lakhs if opted by the SCS	20 lakhs	Amount not exceeding 20 lakhs if opted by the SCS

Mistake in identifying correct 'exemption threshold' or eligibility to 'enhanced exemption threshold' must be carefully considered while making a determination whether requirement to register has been triggered or not.

How Aggregate Turnover is calculated?

The expression "aggregate turnover" has been defined in section 2(6) of the CGST Act which may please be referred for the scope and coverage of the term "aggregate turnover". Aggregate Turnover is PAN based and

not State/ Union Territory based.

In the below table, illustrations have been provided to understand how aggregate turnover is calculated and what will be the requirement of registration in each of these illustrations-

Illustration 1:

State	Turnover	Registration Requirement (supplies Goods and Services)
Maharashtra	15,00,000	Since the turnover of the entire entity exceeds ` 20,00,000 (15,00,000+7,00,000) registration will be required in both the States
Tamil Nadu	7,00,000	

Illustration 2:

State	Turnover	Registration Requirement (supplies Goods and Services)
Maharashtra	9,00,000	Since the entity has presence in special category State, the threshold limit is only Rs.10,00,000. Since the entity crosses such limit, registration will be required in both the States*
Manipur Tripura	2,00,000	

*Please note that the *proviso* to section 22(1) appearing in CGST Act also appears in SGST Act(s). As a result, for a taxable person in a non-Special Category State, who has a branch in Special Category State, the threshold becomes 10 lacs and not 20 lacs.

— Registration requirements under the pre-GST Laws-

Statute	Registration Requirement	Registration Level
Excise	For each factory	Unit Level
VAT	Per State (branches in the State were considered as additional places of business)	State Level
Service Tax	One centralized registration (option for de-centralized registration was also available)	National Level

- GST has adopted VAT model for registration. Hence, the supplier will be liable to obtain registration for each of the locations spread across various States/ Union territories, though he operates as a single person for the purpose of other statutes like Companies Act, 2013, Income Tax Act, 1961 etc.
- A proper reading of section 22 read with section 25 helps us to understand that a State is the smallest registrable unit in GST – and multiple places of registrations can also be taken separately in one particular State / Union Territory if the conditions specified in rule 11 are satisfied.
- For calculating the threshold limit, the turnover shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals. Further, supply of goods by a registered job worker, after completion of job work, shall be treated as the supply of

goods by the “principal” referred to in section 143 (i.e., Job work procedure) of this Act. The value of such goods shall not be included in the aggregate turnover of the registered job worker.

- It is necessary to appreciate the difference between ‘person’ and ‘taxable person’. Person is defined in section 2(84) of CGST Act to include various types of business structures and association of persons whereas taxable person is defined in section 2(107) to mean a person who is registered or is under obligation to get register under GST Law.

Exemption Limit vs. Registration Limit

In the erstwhile law, the facility of SSI/ SSP exemptions were provided wherein even though assessee has taken the registration it was not required to collect and pay tax unless they crossed the threshold limit. However, in GST regime no such exemption is provided under the law. Once registration is taken the taxpayer is mandatorily required to collect and pay tax to the Government irrespective of threshold. As per sections 2(107) of the CGST Act, 2017 “*taxable person*” means a person who is registered or liable to be registered under section 22 or section 24; this means a registered person is a taxable person. It is important to note that section 9 of CGST Act, 2017 imposes leviability to taxable person and, therefore, once registration is obtained the concept of taxable person gets triggered.

Other persons requiring registration under this provision – irrespective of threshold limit

- Every person who, on the day immediately preceding the appointed day, is registered or holds a license under an earlier law, shall be liable to be registered under this Act with effect from the appointed day.

Based on this provision, all the persons registered under the pre-GST law were mandatorily required to migrate to GST and then the option for cancellation of registration was provided.

- Transfer of business – Detailed below.

Transfer of Business and Registration

If a registered taxable person transfers business on account of succession or otherwise, to another person as a going concern, the transferee, or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession. This means that the Registration Certificate issued under sections 22 of the Act is not transferable to any other person. In a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, de-merger of two or

more companies by an Order of a High Court, the transferee shall be liable to be registered with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such Order of the High Court.

Obligations after registration

- As per rule 18, every registered person shall display his Certificate of Registration in a prominent location at his principal place of business and at every additional place or places of business.
- Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business.

22.3 Requirement of registration in respect of construction works undertaken outside the State

Works contractors, having a principal place of business in one State may undertake execution of works across India in many States. It may so happen that the contractor procures and/ or stores his goods at the site (in another state) and thereafter carries on the construction work at the site.

Now, as per section 2(85), a “place of business” is defined “...to include any other place, where a taxable person stores his goods or receives goods or services...” Hence, in case the taxable person stores his goods at the construction site, it will be considered as his place of business and he will be liable to take registration at the construction site.

However, in M/s T & D Electricals (GST AAR Karnataka), the Authority for Advance Ruling ruled that if a works contractor undertakes to supply his services in another state which includes complete electrical & instrumentation jobs, installation, testing and commissioning, the contractor (applicant) herein has to arrange all required tools, manpower/electrician/ technician along with all the required material. Authority ruled that applicant will get only “Temporary” small space for office and stores, therefore, there is no requirement for separate registration in the state where works contract services are to be delivered.

Similar ruling is given by Karnataka AAR in case of GEW (India) Pvt. Ltd., where applicant based in Noida (Uttar Pradesh) proposes to undertake works contract activities for L&T in Karnataka. The Authority observed that the Applicant is neither having and nor intending to have any establishment in Karnataka, hence, there is no requirement of separate registration in Karnataka.

Statutory provisions**23. Persons not liable for registration**

- (1) *The following persons shall not be liable for registration, namely*
- (a) *Any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act*
 - (b) *an agriculturist, to the extent of supply of produce out of cultivation of land.*
- (2) ⁷*[Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.]*

Related provisions of the Statute

Section or Rule	Description
Section 2(7)	Definition of 'Agriculturist'
Section 2(47)	Definition of 'Exempt Supply'
Section 25	Procedure for 'Registration'

23.1 Analysis

Section 23 provides relaxation from the requirement of obtaining registration to following three categories of persons:

- (a) Agriculturist;
- (b) Persons engaged exclusively in the supply of exempted goods or services or both.
- (c) Any other persons or categories of persons notified u/s 23(2)

Thus, the aforementioned persons would not be required to obtain registration even if their turnover exceeds the threshold limits (`10 Lakhs for Special Category States and ` 20 Lakhs for other States). In case of persons notified by the Government based on the recommendations of the Council, such

⁷ *Substituted for the following vide the Finance Act, 2023 w.e.f. 01.07.2017 through Notf No. 28/2023-CT dt. 31.07.2023. Applicable w.e.f. 01.10.2023.*

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

notification shall override section 22(1) or 24.

Requirement of mandatory registration waived for persons supplying goods through an ECO required to collect tax under section 52, subject to certain conditions

Exercising the power under section 23(2) of the CGST Act, 2017, with effect from 01.10.2023, the Central Government vide *Notification No. 34/2023-Central Tax dated 31.07.2023* has specified the persons making supply of goods through an electronic commerce operator (ECO), who is required to collect tax at source under section 52 of the Act and having an aggregate turnover in the preceding and current financial year not exceeding the amount of aggregate turnover above which a supplier is liable to be registered in the State/Union territory, as the category of persons exempted from obtaining registration, subject to the following conditions:

- a) such persons shall not make any inter-state supply of goods
- b) such person shall not make supply of goods through ECO in more than one State or Union Territory
- c) such persons shall be required to have PAN under Income Tax Act, 1947 and will have to declare the same on the portal along with the address of the place of business and the State or Union territory in which he seeks to make such supply, which shall be subject to validation on the common portal
- d) on successful validation of the details furnished, such person will be granted an enrolment number on the portal. Such persons shall not be granted more than one enrolment number in a State or Union Territory
- e) no supplies shall be made by the persons through ECO unless he has obtained the enrolment number.
- f) where such persons are subsequently granted registration under section 25 of the CGST Act, the enrolment number shall cease to be valid from the effective date of registration.

Special procedure to be followed by an electronic commerce operator required to collect tax at source under section 52 in respect of supplies of goods made through it by specific unregistered persons

Vide Notification No. 37/2023-Central Tax dated 04.08.2023, with effect from 01.10.2023, following procedure shall be followed by an electronic commerce operator who is required to collect tax at source under section 52 in respect of supply of goods made through it by a person who is exempted from taking registration under section 23(2) vide *Notification No. 34/2023-Central Tax dated the 31.07.2023* i.e., persons making supplies of goods through an

electronic commerce operator who is required to collect tax at source under section 52 and having an aggregate turnover in the preceding financial year and in the current financial year below the threshold limit prescribed under section 22(1) of the CGST Act subject to certain other conditions:

- (i) It shall allow the supply of goods through it by the said person only if enrolment number has been allotted on the common portal to the said person in accordance with the *Notification No.- 34/2023- Central Tax dated 31.07.2023*.
- (ii) It shall not allow any inter-State supply of goods made through it by the said person.
- (iii) It shall not collect tax at source under section 52(1) in respect of supply of goods made through it by the said person; and
- (iv) It shall furnish the details of supplies of goods made through it by the said person in the statement in Form GSTR-8 electronically on the common portal.

Where multiple electronic commerce operators are involved in a single supply of goods through electronic commerce operator platform, “the electronic commerce operator” shall mean the electronic commerce operator who finally releases the payment to the said person for the said supply made by the said person through him.

Agriculturist

As per section 2(7), agriculturist means an individual or HUF who undertakes cultivation of land:

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

Thus, an agriculturist is not liable for registration only to the extent of supply of produce out of cultivation of land. If an agriculturist undertakes supplies which are not linked to the cultivation of land, he will fall within the provisions of sections 22 and may have to take registration in respect of such supplies. It is important to consider the nature of activities undertaken by the agriculturist. If the process deviates from ‘cultivation’ it will travel outside the scope of this exclusion from registration. The exclusion states – to the extent of supply of ‘produce out of cultivation’ of land – any further processing of the primary

produce from cultivation will continue not to avail this exclusion.

Cultivation of land does not include pisciculture on inland water body or cattle rearing that graze the produce of land. The produce that emerges from land is 'cultivation of land'. For example, harvesting paddy is cultivation but production of rice is not.

It should be noted that the exclusion from the requirement to be registered does not result in non-collection of tax on agricultural produce. Section 9(3) of the CGST Act and section 5(3) of the IGST Act notifies certain commodities (like cashew nuts) on which tax is required to be discharged under reverse charge basis by the recipient of goods when such commodities are purchased from an agriculturist. Thus, the exemption from registration is dependent on status of the supplier and not based on the commodity involved. Needless to say, if the supplier of goods is not an agriculturist, then he will have to obtain registration under the regular provisions i.e., section 22 if his aggregate turnover exceeds 'exemption threshold' and its variations (discussed earlier). Also, refer discussion under section 2(7) on the various facets of 'agriculturist' and the scope of inapplicability to exemption from registration under section 23(1)(b).

Exclusively engaged in Exempt Supplies

The term exclusive indicates engaging in only those supplies which are exempted. Therefore, if a supplier is supplying both exempted and taxable goods and/or services, then this provision is not applicable, and he is required to obtain registration under section 22.

It essentially permits any person whose 'entire' supply consists of 'exempt supplies', to be excluded from obtaining registration. Care should be taken to validate the premise of (a) entire supply and (b) it being exempt. Even if small value of supplies is taxable, then exempt supplies will be included to determine if aggregate turnover has exceeded the exemption threshold under section 22 for attracting registration.

Now, a question may arise as to whether registration is required in case a person is engaged exclusively in supplying exempted goods or services and also incurs certain expenses which are listed in section 9(3) for payment of tax on reverse charge basis. These aspects are discussed in detail in section 24.

Care must be taken to look through notifications issued under section 7(2) where Government will notify persons who are specifically granted exemption from registration, namely:

- (a) Persons only engaged in making supplies of taxable goods or services

or both, which are liable to GST under reverse charges, are not required to take registration - (*Notification No. 5/2017–Central Tax dated 19.06.2017*).

- (b) Job-workers engaged in making inter-State supply of services to a registered person except those who are liable to be registered under section 22(1) of the CGST Act, 2017 or persons opting for voluntary registration or persons engaged in making inter-State supplies of services in relation to jewellery, goldsmiths' and silversmiths' wares and other articles (w.e.f. 14.09.2017) - *Notification No. 7/2017–Integrated Tax dated 14.09.2017 as amended vide Notification No. 2/2019-Integrated Tax dated 29.01.2019 w.e.f. 01.02.2019*.
- (c) Persons effecting inter-State supplies of taxable services – where the aggregate value of supplies on PAN-India basis does not exceed ` 20 Lakhs in a year (` 10 Lakhs for special category States- Manipur, Mizoram, Nagaland and Tripura) (w.e.f.13.10.2017) - *Notification No. 10/2017–Integrated Tax dated 13.10.2017 as amended vide Notification No. 3/2019-Integrated Tax dated 29.01.2019, w.e.f. 01.02.2019. Notification No. 3/2019 grants exemption from registration to persons making inter-State supplies of taxable services to special category States*.
- (d) Categories of persons effecting inter-State taxable supplies of handicraft goods – where the aggregate value of supplies on PAN-India basis does not exceed ` 20 Lakhs in a year (` 10 Lakhs for special category States- Manipur, Mizoram, Nagaland and Tripura) - (w.e.f. 22.10.2018) - *Notification No. 3/2018–Integrated Tax dated 22.10.2018*. This notification has superseded *Notification No. 8/ 2017-Integrated Tax dated 14.09.2017*. Such persons shall be required to obtain a Permanent Account Number and generate an e-way bill in accordance with the provisions of rule 138 of the CGST Rules, 2017.
- (e) Persons providing services through an e-commerce who is required to collect tax at source, provided their aggregate turnover does not exceed ` 20 lakh (` 10 lakh in special category States-Manipur, Mizoram, Nagaland and Tripura) (w.e.f. 15.11.2017). - *Notification No. 65/2017–Central Tax dated 15.11.2017 as amended vide Notification No. 6/2019-Central Tax dated 29.01.2019, w.e.f. 01.02.2019. Notification No. 6/2019 grants exemption to suppliers of services through an e-commerce platform obtaining compulsory registration to special category States*.
- (f) Categories of casual taxable persons making taxable supplies of handicraft goods- where the aggregate value of supplies on PAN-India

basis does not exceed ` 20 Lakhs in a year (` 10 Lakhs for special category States-Manipur, Mizoram, Nagaland and Tripura) - (w.e.f. 23.10.2018) – *Notification No. 56/2018-Central Tax dated 23.10.2018*. This notification has superseded *Notification No. 32/ 2017-Central Tax dated 15.09.2017*.

- (g) W.e.f. 01.04.2019 – the basic limit beyond which obtaining registration becomes mandatory is increased from ` 20 lakhs to ` 40 lakhs for certain categories of persons *vide notification No. 10/2019-Central Tax dated 07.03.2019* (discussed earlier).

As per the said notification, any person, who is engaged in **exclusive supply of goods** and whose aggregate turnover in the financial year does not exceed ` 40 lakhs, except,-

- (a) persons required to take compulsory registration under section 24 of the said Act;
- (b) persons engaged in making supplies of the following goods,

Sl. No.	Tariff item, sub-heading, heading or Chapter	Description
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa
2	2106 90 20	Pan masala
3	24	All goods, i.e., Tobacco and manufactured tobacco substitutes
⁸ [4	6815	⁹ [Fly ash bricks; Fly ash aggregates; Fly ash blocks]
5	6901 00 00	Bricks of fossil meals or similar siliceous earths
6	6904 10 00	Building Bricks
7	6905 10 00	Earthen or roofing tiles]

- (c) persons engaged in making intra-State supplies in the States of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand; and
- (d) persons exercising option under the provisions of sub-section (3)

⁸Inserted *vide Notf No. 03/2022 dt. 31.03.2022 w.e.f. 01.04.2022*.

⁹Substituted *vide Notf No. 15/2022 dt. 13.07.2022 w.e.f. 18.07.2022*.

of section 25 [voluntary registration], or such registered persons who intend to continue with their registration under the said Act.

Relevant FAQ as per Press Release dt. 20.07.2017 released by CBIC:

Q4. Is registration necessary if only inter-State supply of Nil-rated goods is being made?

Ans. If exclusively making supplies of Nil related goods, registration is not compulsory.

Q5. Whether franchisor company will have to take registration in each State where outlets are located?

Ans. No, a franchisor company need not take registration in a State where only its franchisee is located.

Q10. Is a job-worker required to register?

Ans. Job-workers making taxable supplies above the threshold aggregate turnover needed to register.

Q20. I am a supplier of exempted goods based out of Delhi and procure raw material from Kerala. My supplier from Kerala insists that I have to be registered in Delhi for procurement of Inter-State goods. Is he right?

Ans. No, if you are dealing in 100% exempted supplies, you are not liable to be registered under GST. There is no requirement of registration for making Inter-State purchases.

Q21. Is GST registration mandatory for small retailers to buy from dealers/wholesalers?

Ans. There is no such requirement under GST law.

23.2 Issues and Concerns:

(a) The new 'extended exemption threshold' for registration (from 1 Apr 2019) to ` 40 lakhs is applicable only for those taxable persons, who are engaged in exclusive supply of goods. Therefore, in case a person is supplying goods but also earns a nominal amount of service income (*whether taxable or not*) such as commission income, then he shall be liable to obtain registration on crossing the exemption threshold of ` 20 lakhs and not ` 40 lakhs.

(b) **Exemption to Charitable Organizations:** Pursuant to *Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017*, Government has exempted services by way of charitable activities, provided by charitable organisations registered under section 12AA/12AB of the Income Tax Act, 1961 from the levy of GST. Thus, charitable organizations registered

under Section 12AA/12AB of the Income Tax Act, 1961, engaged exclusively in charitable activities are exempted from obtaining registration. However, charitable organisations are compelled to register where they have receipts on account of ancillary activities like providing a premises on rent to operate ATM or a shop to supplement their income sources, charitable hospitals collecting fixed rent or revenue share from pharmacy operator inside premises or from sale of medicines in self-run pharmacy as these are not exempt activities and along with healthcare income, may be well over the exemption threshold and be liable for registration.

- (c) **Separate Registration for ISD to discharge tax on RCM basis:** Under the erstwhile Service Tax laws, an ISD was allowed to discharge tax liability under reverse charge mechanism without seeking a separate registration. However, under GST regime, the ISD can obtain a separate GSTIN other than the ISD registration for discharging such taxes. But an ISD is not one who will have any taxable outward supplies except distribution of credit. When an ISD attracts RCM or other liability of its own, then it is more likely that the ISD will become a regular taxable person because these taxable inward supplies cannot be received without creating an 'outward supply event'. This is adding to the multiplicity of registrations and complexity in documentation and compliance and impacting the matrix of 'ease of doing business'. Co-existence of ISD along with regular registration in the same State may soon fall into disuse once trade comes to understand the dissimilarity between ISD (in service tax) and ISD (in GST). Experts hold the view that ISD (GST) can rightfully exist when the person (legal entity) DOES NOT have a regular registration at any place in the same State. There are some voices to the contrary but the two may come into harmony once the benefits of ISD registration in GST are discovered to be easily available via the regular registration (already obtained in the same State). *Circular No. 199/11/2023-GST dated 17.07.2023* has clarified that ISD registration can co-exist with regular registration. Circular has considered an instance, where a business entity has Head Office (HO) located in State-1 and Branch Offices (BOs) located in other States and where the HO procures some input services e.g. security service, for the entire organisation, from a security agency (third party). HO also provides some other services on its own to branch offices (internally generated services). It is clarified that ISD Registration is not mandatory as of now and HO can very well "Cross Charge" an expense to the "Attributable" BO.

- (d) ***Inclusion of non-operational income for threshold limit:*** The inclusion of non-operational income like interest income as 'exempt supplies' for the purpose of determining the aggregate turnover for registration would bring into the focus large number of persons who are otherwise undertaking only a minimal amount of supply. In case a person is earning interest income from Fixed Deposit Receipts (FDR) of ₹ 15 Lakhs and a rental income from renting of immovable property of ₹ 6 Lakhs, he would need to take registration and collect GST on such supply of rental services. Care must be taken to identify whether such non-operational income is really NOT connected with the business of the person. For e.g., FD income of proprietor from funds (held in savings account) may be separate from the business of the proprietor. But FD of a firm from funds (held in current account) may be part of the business. Perfect demarcation is not possible and not required also, to leave room for examining based on trail of funds (source for deposit) and to support conclusions one way or other.

Statutory Provisions

24. Compulsory registration in certain cases

- (1) *Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act, —*
- (i) *persons making any inter-State taxable supply;*
 - (ii) *casual taxable persons making taxable supply;*
 - (iii) *persons who are required to pay tax under reverse charge;*
 - (iv) *person who are required to pay tax under sub-section (5) of section 9;*
 - (v) *non-resident taxable persons making taxable supply;*
 - (vi) *persons who are required to deduct tax under section 51, whether or not separately registered under this Act;*
 - (vii) *persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise;*
 - (viii) *Input Service Distributor, whether or not separately registered under this Act;*
 - (ix) *persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax*

<p style="text-align: center;"><i>at source under section 52;</i></p> <p>(x) <i>every electronic commerce operator</i> ¹⁰<i>[who is required to collect tax at source under section 52];</i></p> <p>(xi) <i>every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered person;</i> ¹¹<i>[****]</i></p> <p>¹² <i>[(xia) every person supplying online money gaming from a place outside India to a person in India; and]</i></p> <p>(xii) <i>such other person or class of persons as may be notified by the Government on the recommendations of the Council.</i></p>
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Related provisions of the Statute:

Section or Rule	Description
Section 2(20)	Definition of 'Casual Taxable Person'
Section 2(47)	Definition of 'Exempt Supply'
Section 9(5)	Tax on reverse charge basis to be paid by e-commerce operator
Section 22	Persons liable for registration
Section 25	Procedure for registration
Section 51	Tax Deduction at source
Section 52	Collection of tax at source

24.1 Analysis

Section 24 starts with a 'non obstante' clause which is limited to section 22(1) and NOT to section 23. It dictates that in the 'twelve' situations listed, even though 'exemption threshold' may still be available to the person, GST registration WILL BE applicable to such person. Registration is always under section 22 and once registration is obtained, then such person will forfeit the 'exemption threshold'. Registration is 'unqualified' whether it is due to exceeding exemption threshold under section 22(1) or voluntarily registered under section 25(3) or compulsorily registered under section 24. Once

¹⁰ *Inserted vide The Central Goods and Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019, Notified through Notf No. 02/2019-CT dt. 29.01.2019. Applicable w.e.f. 01.02.2019.*

¹¹ *Omitted vide CGST (Amendment) Act, 2023 w.e.f. 01.10.2023 before it was read as, "and".*

¹² *Inserted by the CGST (Amendment) Act, 2023 w.e.f. 01.10.2023, notified through Notf No. 48/2023-CT dt. 29.09.2023. Applicable w.e.f. 01.10.2023.*

registered, all supplies will be subject to tax 'as if' generally liable to be registered.

Categories of persons who shall be required to be registered under this Act irrespective of the threshold limit:

The following categories of persons are required to obtain registration compulsorily under this Act:

- Persons making any inter-State taxable supply;
- Casual taxable persons making taxable supply;
- Persons who are required to pay tax under reverse charge;
- Persons who are required to pay tax under sub-section (5) of section 9 (electronic commerce operator)
- Non-resident taxable persons making taxable supply;
- Persons who are required to deduct tax under section 51 (Tax Deduction at Source);
- Persons who supply goods or services or both on behalf of other registered taxable persons whether as an agent or otherwise;
- Input service distributor;
- Persons who supply goods and/or services, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52,
- Every electronic commerce operator who is required to collect tax at source under section 52;
- Every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered taxable person;
- Every person supplying online money gaming from a place outside India to a person in India; and
- Such other person or class of persons as may be notified by the Central Government or a State Government on the recommendations of the Council.

It may be noted that *vide Notification No. 10/2017–Integrated Tax dated 13.10.2017*, persons making inter-State supply of services and having turnover not exceeding Rs. 20 lakhs have been exempted (*u/s. 23 as*

discussed in the above paragraphs) from obtaining registration. Accordingly, only persons who make inter-State supply of goods have to compulsorily obtain registration irrespective of the aggregate turnover. Please refer the variations in 'exemption threshold', 'extended exemption threshold' and 'reduced exemption threshold' to special category States (and its effect in non-special category States) including deviations from 01.04.2019. Refer detailed tables discussed under section 22.

The Government has issued notifications under section 23(2) to provide exemption from registration to certain category of persons who are mentioned in the aforementioned list. Details of such exemption are provided under sections 23(2) and implications of such exemption to those persons requiring compulsory registration is tabulated below:

Category of Persons	Exemption Granted
i) Persons making any inter-State taxable supply	Inter-State supplies of taxable services (<i>Notification No. 10/2017–Integrated Tax dated 13.10.2017 amended vide Notification No. 3/2019–Integrated Tax dated 29.01.2019, w.e.f. 01.02.2019</i>) and handicraft goods except when their turnover exceeds threshold limit (<i>Notification No.3/2018–Integrated Tax dated 22.10.2018 which superseded Notification No. 8/ 2017–Integrated Tax dated 14.9.2017</i>)
ii) Casual taxable persons making taxable supply	Casual taxable persons making taxable supplies of handicraft goods if the aggregate turnover does not exceed ` 20 lakhs (<i>Notification No. 56/2018–Central Tax dated 23.10.2018 which superseded Notification No. 32/ 2017–Central Tax dated 15.9.2017</i>)
iii) Persons who are required to pay tax under reverse charge	'Reverse charge' is defined to include sections 9(3) and 9(4) in section 2(98). Person eligible to 'exemption threshold' under section 22(1) may forfeit benefit if even one payment made attracts RCM. Further, if a supplier is making supplies which are entirely covered under reverse charge mechanism, then he is not required to obtain registration

	irrespective of the turnover.
iv) Persons who are required to pay tax under sub-section (5) of section 9 (electronic commerce operator)	Experts advise that suppliers (in respect of whose turnover ECO would pay tax under 9(5)) would NOT be required to pay tax. And hence, they would NOT be required to be registered (if there were no other turnover liable to tax payment). Note also exclusion of such Suppliers under clause (ix).
v) Non-resident taxable persons making taxable supply	No such exemption
vi) Persons who are required to deduct tax under section 51 (Tax Deduction at Source)	Refer relaxation provided under RCM notification (entries 1 and 14 of <i>Notification No. 13/2017-Central Tax (Rate) dated 28.06.2017</i>) who have 'nil' taxable supplies and are registered only to comply with section 51 and hence, section 24.
vii) Persons who supply goods or services or both on behalf of other registered taxable persons whether as an agent or otherwise	'Agents' will become liable to compulsory registration only if their transactions attract schedule I. (Refer <i>Circular No. 57/31/2018-GST dated 04.09.2018</i> for more insight)
viii) Input Service Distributors	Remember, ISD registration is voluntary, and it's mention in section 24 only makes 'facility' of ISD available on the condition of obtaining registration.
ix) Persons who supply goods and/or services, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52	Supplier providing services through an e-commerce operator if the aggregate turnover does not exceed ` 20 Lakhs (<i>Notification No. 65/2017-Central Tax dated 15.11.2017 amended vide Notification No. 6/2019-Central Tax dated 29.01.2019, w.e.f. 01.02.2019</i>)
x) Every electronic commerce operator who is required to	No 'exemption threshold' to ECO for own outward supplies if liable to TCS

collect tax at source under section 52	under 52.
xi) Every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered taxable person	Exempt from filing Annual Return and Reconciliation Statement prescribed in section 44(1) and 44(2).
xii) Such other person or class of persons as may be notified by the Central Government or a State Government on the recommendations of the Council	Persons making supplies of goods through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act and having an aggregate turnover in the preceding financial year and in the current financial year not exceeding the amount of aggregate turnover above which a supplier is liable to be registered in the State or Union territory in accordance with the provisions of sub-section (1) of section 22 of the said Act, as the category of persons exempted from obtaining registration under the said Act subject to certain conditions.

Exports as Inter-State supplies

Export of goods or services or both are treated as inter-State supplies as per section 7(5) (a) of the IGST Act. Hence, as per section 24(i) of the CGST Act, the person who is engaged in export of goods or services or both are compulsorily required to take registration irrespective of the fact that such export turnover is less than ` 20 Lakhs. However, by virtue of *Notification No. 10/2017-Integrated Tax* as amended by *Notification No. 3/2019-Integrated Tax dated 29.01.2019* read with section 20 of the IGST Act and section 23(2) of the CGST Act, the persons making inter-State supply of taxable services are being exempt from taking registration if the aggregate turnover computed on all India basis is less than ` 20 Lakhs. For example, freelance journalists, software professionals, visiting faculty to foreign universities, etc. who are engaged exclusively in supply of services though naturally work from home, need not take registration if their aggregate turnover is below the threshold limit of ` 20 Lakhs.

But this exemption from registration is not applicable for the persons who are

engaged in export of goods and thus they are mandatorily required to take registration as per section 24(i) of the CGST Act since inception. However, such persons can export the goods or services or both, as per section 16(3) of the IGST Act, either without payment of integrated tax under LUT or Bond and can claim refund of such unutilised ITC or with payment of integrated tax and can claim refund of such Integrated tax paid.

However, in the case of export of services, when turnover is less than the threshold limit, the GST paid on inward supplies will form part of the cost of output services in case registration is not taken. It is pertinent to mention here, that taxpayer can avail the benefit of refund only if registered under GST, even if turnover is less than that of the threshold limit, except in certain cases where an unregistered person can also take refund of tax paid as prescribed in *Circular No. 188/20/2022-GST dt. 27.12.2022*. Also, the requirement to register allows opportunity for Government to examine the correctness of the claim to zero-rated exemption from tax on their turnover.

Casual Taxable Person

Traders (especially Jewellers) registered in one State carry goods to another State and upon receipt of approval from the customers, sell the goods to such customers. The issue that arises for consideration is whether such jewellers are required to register as casual taxable persons in the State of the buyer. In this context, *Circular No.10/10/2017-GST, dated 18.10.2017* has been issued to clarify that in the given case, Supplier is not able to ascertain the actual supplies beforehand and ascertainment of tax liability is a mandatory requirement for registration as a casual taxable person and hence, he is not required to get registered as a casual taxable person. Refer detailed discussion on the concept and application of casual taxable person under section 27.

Agent

Clause (vii) of section 24 provides that an agent who makes taxable supply of goods or services on behalf of other person, is compulsorily required to obtain registration independent of the aggregate turnover threshold limit provided under section 22. The term “agent” here refers to the “agent” who supplies goods to the customers under his invoice on behalf of the principal (linked to para 3 of schedule I of the CGST Act which refers to deemed supply of goods by principal to agent where the agent undertakes to supply goods on behalf of the principal) and it does not cover within its ambit, all types of agents like those who act as intermediary. This matter has also been clarified in the *Circular No. 57/31/2018-GST dated 04.09.2018* and also *Circular No.*

73/47/2018-GST, dated 05.11.2018.

Refer detailed discussion under section 2(13) of IGST Act and under schedule I regarding extent of this fictional treatment of 'agency' in GST.

24.2 Issue and Concern:

Section 23 vs. Section 24: Section 24 overrides sections 22(1) and accordingly persons enumerated under sections 24 are required to obtain compulsory registration irrespective of whether their turnover exceeds the threshold limit specified under sections 22(1). However, section 24 does not specifically override sections 23. In case there is a conflict between sections 23 and 24, the issue is which provision will prevail. Consider a scenario where a hospital is providing health care services which are exempt from GST. The turnover of the hospital is ₹ 10 Crores. The hospital has imported certain services from outside India worth ₹ 5 Lakhs which is liable to discharge the tax liability under reverse charge mechanism.

The impact of sections 22, 23 and 24 in the given case are provided below:

Provision	Impact
Section 22	Not Liable to register since they are NOT providing any taxable supply and it is a pre-requisite u/s. 22(1) to take registration in that State from where a person makes TAXABLE SUPPLY of goods or services, provided aggregate turnover exceeds ₹ 20/10 lakhs.
Section 23	Not required to register since they deal exclusively in exempt supplies
Section 24	Mandates registration since liable to pay tax under reverse charge on import of services.

It is very interesting to note that when Finance Bill, 2023 came, clause 131 amended entire section 23. It is reproduced below for ease of reference:

For section 23 of the Central Goods and Services Tax Act, the following section shall be substituted and shall be deemed to have been substituted with effect from 01.07.2017, namely:-

Persons not liable for registration

Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24;-

- (a) the following persons shall not be liable to registration, namely:-
- (i) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act, 2017;
 - (ii) an agriculturist, to the extent of supply of produce out of cultivation of land;
- (b) the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.”

As per this amendment, section 23 started with non-obstante clause which was over-riding section 22(1) as well as section 24 as a result, there was a view that if a person is engaged in exclusive supply of exempted supply but he is receiving certain supplies liable to reverse charge then also he will not be liable to obtain registration due to over-riding effect of section 23 over section 24. Since both section 23 and section 24 started with non-obstante clause, one can harmoniously interpret that section 23 will have independent applicability.

However, when Finance Bill, 2023 was finally enacted, section 23 was enacted entirely different, the same is reproduced below:

Persons not liable for registration

23. (1) The following persons shall not be liable to registration, namely:-
- (a) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act;
 - (b) an agriculturist, to the extent of supply of produce out of cultivation of land.
- (2) Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.

One can note that now section 23 is not starting with non-obstante clause, only sub-section 2 of section 23 is starting with “Notwithstanding” and giving

exclusive authority to Government to notify categories of persons who may be exempt from obtaining registration.

In this context, it is interesting to note that section 23(2) of the CGST Act empowers the Government to issue notification exempting category of persons from obtaining registration. The Central Government has issued various notifications under the said provision to exempt persons who were otherwise required to register based on section 24.

Statutory Provisions

25. Procedure for registration

- (1) *Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed:*

Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.

¹³*[Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the same State or Union territory].*

Explanation. - Every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate baseline is located.

- (2) *A person seeking registration under this Act shall be granted a single registration in a State or Union territory:*

¹⁴*[Provided that a person having multiple places of business in a State or Union territory may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed].*

- (3) *A person, though not liable to be registered under section 22 or section*

¹³Inserted vide The Central Goods & Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019.

¹⁴Substituted vide The Central Goods & Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019 before it was read as "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."

24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.

- (4) A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.
- (5) Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.
- (6) Every person shall have a Permanent Account Number issued under the Income Tax Act, 1961 (43 of 1961) in order to be eligible for grant of registration:

Provided that a person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number issued under the said Act in order to be eligible for grant of registration.

- ¹⁵[(6A) Every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in such form and manner and within such time as may be prescribed:

Provided that if an Aadhaar number is not assigned to the registered person, such person shall be offered alternate and viable means of identification in such manner as Government may, on the recommendations of the Council, prescribe:

Provided further that in case of failure to undergo authentication or furnish proof of possession of Aadhaar number or furnish alternate and viable means of identification, registration allotted to such person shall be deemed to be invalid and the other provisions of this Act shall apply as if such person does not have a registration.

- (6B) On and from the date of notification, every individual shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number, in such manner as the Government may, on the recommendations of the Council, specify in the said notification:

¹⁵Inserted vide The Finance (No. 2) Act, 2019 through Notf No. 01/2020-CT dt. 01.01.2020 w.e.f. 01.01.2020.

Provided that if an Aadhaar number is not assigned to an individual, such individual shall be offered alternate and viable means of identification in such manner as the Government may, on the recommendations of the Council, specify in the said notification.

- (6C) On and from the date of notification, every person, other than an individual, shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number of the Karta, Managing Director, whole time Director, such number of partners, Members of Managing Committee of Association, Board of Trustees, authorised representative, authorised signatory and such other class of persons, in such manner, as the Government may, on the recommendation of the Council, specify in the said notification:*

Provided that where such person or class of persons have not been assigned the Aadhaar Number, such person or class of persons shall be offered alternate and viable means of identification in such manner as the Government may, on the recommendations of the Council, specify in the said notification.

- (6D) The provisions of sub-section (6A) or sub-section (6B) or sub-section (6C) shall not apply to such person or class of persons or any State or Union territory or part thereof, as the Government may, on the recommendations of the Council, specify by notification.*

Explanation. —For the purposes of this section, the expression “Aadhaar number” shall have the same meaning as assigned to it in clause (a) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016]

- (7) Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of such other documents as may be prescribed.*
- (8) Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under this Act or under any other law for the time being in force, proceed to register such person in such manner as may be prescribed.*
- (9) Notwithstanding anything contained in sub-section (1), —*
- (a) any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), Consulate or Embassy of foreign countries; and*

(b) any other person or class of persons, as may be notified by the Commissioner,

shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed.

- (10) The registration or the Unique Identity Number shall be granted or rejected after due verification in such manner and within such period as may be prescribed.
- (11) A certificate of registration shall be issued in such form and with effect from such date as may be prescribed.
- (12) A registration or a Unique Identity Number shall be deemed to have been granted after the expiry of the period prescribed under sub-section (10), if no deficiency has been communicated to the applicant within that period.

Extract of the CGST Rules, 2017

8. Application for registration

(1) ¹⁶ [Every person who is liable to be registered under sub-section (1) of section 25 and every person seeking registration under sub-section (3) of section 25 (hereafter in this Chapter referred to as "the applicant"), except—

- (i) a non-resident taxable person;
- (ii) a person required to deduct tax at source under section 51;
- (iii) a person required to collect tax at source under section 52;
- (iv) a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 or a person supplying online money gaming from a place outside India to a person in India referred to in section 14A under the Integrated Goods and Services Tax Act, 2017 (13 of 2017),

shall, before applying for registration, declare his Permanent Account Number, State or Union territory in Part A of FORM GST REG-01 on the common portal, either directly or through a Facilitation Centre

¹⁶ Substituted vide Notf No. 51/2023-CT dt. 29.09.2023 w.e.f. 01.10.2023.

notified by the Commissioner:

Provided that every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.]

- (2) (a) *The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes ¹⁷[and shall also be verified through separate one-time passwords sent to the mobile number and e-mail address linked to the Permanent Account Number].*
- (b) ~~*¹⁸[The mobile number declared under sub-rule (1) shall be verified through a one-time password sent to the said mobile number; and*~~
- (c) ~~*The e-mail address declared under sub-rule (1) shall be verified through a separate one-time password sent to the said e-mail address.]*~~
- (3) *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.*
- (4) *Using the reference number generated under sub-rule (3), 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.*

¹⁹~~*[(4A) Where an applicant, other than a person notified under sub-section (6D) of section 25, opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or fifteen days from the submission of the application in Part B of FORM GST REG-01 under sub-rule (4), whichever is earlier.*~~

Provided that every application made under sub-rule (4) by a person,

¹⁷Inserted vide Notf No. 26/2022-CT dt. 26.12.2022.

¹⁸Omitted vide Notf No. 26/2022-CT dt. 26.12.2022.

¹⁹Substituted vide Notf No. 04/2023-CT dt. 31.03.2023, w.r.e.f. 26.12.2022.

other than a person notified under sub-section (6D) of section 25, who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of section 25 where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after completion of the process laid down under this proviso.]

²⁰[(4B) *The Central Government may, on the recommendations of the Council, by notification specify the States or Union territories wherein the* ²¹*[proviso* *to]* *sub-rule (4A) shall not apply.]*

(5) *On receipt of an application under sub-rule (4) ²²[or under sub-rule (4A)], an acknowledgement shall be issued electronically to the applicant* *in* *FORM GST REG-02.*

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

9. Verification of the application and approval

(1) *The application shall be forwarded to the proper officer who shall examine the application and the accompanying documents and if the same are found to be in order, approve the grant of registration to the applicant within a period of ²³[seven] working days from the date of submission of the application.*

²⁴*[Provided that where*

²⁰Inserted vide Notf No. 26/2022-CT dt. 26.12.2022.

²¹Substituted for "provisions of" vide Notf No. 04/2023-CT dt. 31.03.2023 w.r.e.f. 26.12.2022.

²²Inserted vide Notf No. 26/2022-CT dt. 26.12.2022.

²³Substituted vide Notf No. 94/2020-CT dt. 22.12.2020.

²⁴Substituted vide Notf No. 94/2020-CT dt. 22.12.2020 for the following:

(a) a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8 or does not opt for authentication of Aadhaar number, or

²⁵[(aa) a person who has undergone authentication of Aadhaar Number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business, or]

(b) the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business.

the registration shall be granted within thirty days of submission of application, after physical verification of the place of business ²⁶~~[in the presence of the said person]~~, in the manner provided under rule 25 and verification of such documents as the proper officer may deem fit].

(2) Where the application submitted under rule 8 is found to be deficient, either in terms of any information or any document required to be furnished under the said rule, or where the proper officer requires any clarification with regard to any information provided in the application or documents furnished therewith, he may issue a notice to the applicant electronically in FORM GST REG-03 within a period of ²⁷[seven] working days from the date of submission of the application and the applicant shall furnish such clarification, information or documents electronically, in FORM GST REG-04, within a period of seven working days from the date of the receipt of such notice.

²⁸[Provided that where-

(a) A person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8 or does not opt for authentication of Aadhaar number, or

“Provided that where a person, other than those notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, then the registration shall be granted only after physical verification of the principle place of business in the presence of the said person, not later than sixty days from the date of application, in the manner provided under rule 25 and the provisions of sub-rule (5) shall not be applicable in such cases”.

²⁵Inserted vide Notf No. 26/2022-CT dt. 26.12.2022.

²⁶Omitted vide Notf No. 38/2023-CT dt. 04.08.2023.

²⁷Substituted vide Notf No. 94/2020-CT dt. 22.12.2020.

²⁸Substituted vide Notf No. 94/2020-CT dt. 22.12.2020.

²⁹[(aa) a person who has undergone authentication of Aadhaar Number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business, or]

(b) the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business.

the notice in FORM GST REG-03 may be issued not later than thirty days from the date of submission of the application]

Explanation- For the purposes of this sub-rule, the expression "clarification" includes modification or correction of particulars declared in the application for registration, other than Permanent Account Number, State, mobile number and e-mail address declared in Part A of FORM GST REG-01.

(3) Where the proper officer is satisfied with the clarification, information or documents furnished by the applicant, he may approve the grant of registration to the applicant within a period of seven working days from the date of the receipt of such clarification or information or documents.

(4) Where no reply is furnished by the applicant in response to the notice issued under sub-rule (2) or where the proper officer is not satisfied with the clarification, information or documents furnished, he ³⁰[may], for reasons to be recorded in writing, reject such application and inform the applicant electronically in FORM GST REG-05.

(5) ³¹[If the proper officer fails to take any action, -

a. within a period of seven working days from the date of submission of the application in cases where the person is not covered under proviso to sub-rule (1); or

b. within a period of thirty days from the date of submission of the application in cases where a person is covered under proviso to sub-rule (1); or

c. within a period of seven working days from the date of the receipt of the clarification, information or documents furnished by the applicant under sub-rule (2),

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

²⁹Inserted vide Notf No. 26/2022-CT dt. 26.12.2022.

³⁰Substituted vide Notf No. 62/2020-CT dt 20.08.2020 w.e.f. 21.08.2020.

³¹Substituted vide Notf No. 94/2020-CT dt 22.12.2020..

approved.]

10. Issue of registration certificate

- (1) Subject to the provisions of sub-section (12) of section 25, where the application for grant of registration has been approved under rule 9, a certificate of registration in FORM GST REG-06 showing the principal place of business and additional place or places of business shall be made available to the applicant on the common portal and a Goods and Services Tax Identification Number shall be assigned subject to the following characters, namely: -
 - (a) two characters for the State code;
 - (b) ten characters for the Permanent Account Number or the Tax Deduction and Collection Account Number;
 - (c) two characters for the entity code; and
 - (d) one checksum character.
- (2) The registration shall be effective from the date on which the person becomes liable to registration where the application for registration has been submitted within a period of thirty days from such date.
- (3) Where an application for registration has been submitted by the applicant after the expiry of thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of the grant of registration under sub-rule (1) or sub-rule (3) or sub-rule (5) of rule 9.
- (4) Every certificate of registration shall be ³²[duly signed or verified through electronic verification code] by the proper officer under the Act.
- (5) Where the registration has been granted under sub-rule (5) of rule 9, the applicant shall be communicated the registration number, and the certificate of registration under sub-rule (1), duly signed or verified through electronic verification code, shall be made available to him on the common portal, within a period of three days after the expiry of the period specified in sub-rule (5) of rule 9.

³³**[10A. Furnishing of Bank Account Details. —**

After a certificate of registration in FORM GST REG-06 has been made available on the common portal and a Goods and Services Tax Identification Number has been assigned, the registered person, except those who have been granted registration under rule 12 or, as

³²Substituted vide Notf No. 7/2017-CT dt.27.06.2017 for the words —'digitally signed'.

³³ Inserted vide Notf No. 31/2019-CT dt. 28.06.2019.

the case may be rule 16, shall ³⁴[within a period of thirty days from the date of grant of registration, or before furnishing the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using invoice furnishing facility, whichever is earlier, furnish information with respect to details of bank account on the common portal].

³⁵[Provided that in case of a proprietorship concern, the PAN of the proprietor shall also be linked with the Aadhaar Number of the Proprietor].

³⁶**[10B. Aadhaar Authentication of Registered person**

The registered person, other than a person notified u/s 25(6D), who have issued a certificate of registration under rule 10 shall, undergo authentication of the Aadhaar number of the proprietor, in case of proprietorship firm, or of any partner in the case of a Partnership firm, or of karta in case of HUF or of the Managing Director or any Whole time director, in case of a company or of any of the Members of the Managing Committee of an AOP or BOI or a Society or of any trustee in the Board of trustees, in case of a trust and of the authorised signatory, in order to be eligible for the purposes as specified in the Table Below:

TABLE

S. No.	Purpose
(1)	(2)
1	For filing of Application for revocation of cancellation of registration in Form GST REG-21 under rule 23
2	For filing of refund application in Form RFD-01 under rule 89
3	For refund under rule 96 of the integrated tax paid on Goods exported out of India.

³⁴ Substituted for the following vide Notf No. 38/2023-CT dt. 04.08.2023

“as soon as may be, but not later than forty five days from the date of grant of registration or the date on which the return required under section 39 is due to be furnished, whichever is earlier, furnish information with respect to details of bank account, *[which is in the name of the registered person and obtained on PAN of the registered person], or any other information, as may be required on the common portal in order to comply with any other provision.”

*Inserted vide Notf No. 35/2021-CT dt. 24.09.2021.

³⁵Inserted vide Notf No. 35/2021-CT dt. 24.09.2021.

³⁶Inserted vide Notf No. 35/2021-CT dt. 24.09.2021. Applicable w.e.f. 01.01.2022 as notified vide Notf No. 38/2021-CT dt. 21.12.2021.

Provided that if Aadhaar Number has not been assigned to the person required to undergo authentication of the Aadhaar Number, such person shall furnish the following identification documents, namely:

- (a) her/his Aadhaar Enrolment ID slip, and
- (b)
 - (i) Bank Passbook with photograph, or
 - (ii) Voter Identity Card issued by Election Commission of India, or
 - (iii) Passport, or
 - (iv) Driving license issued by the Licensing Authority under the Motor Vehicles Act, 1988 (59 of 1988).

Provided further that such person shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number]

11. ³⁷[Separate registration for multiple places of business within a State or a Union territory

(1) Any person having multiple places of business within a State or a Union territory, requiring a separate registration for any such place of business under sub-section (2) of section 25 shall be granted separate registration in respect of each such place of business subject to the following conditions, namely: —

- (a) such person has more than one place of business as defined in clause (85) of section 2;
- (b) such person shall not pay tax under section 10 for any of his places of business if he is paying tax under section 9 for any other place of business;
- (c) all separately registered places of business of such person shall pay tax under the Act on supply of goods or services or both made to another registered place of business of such person and issue a tax invoice or a bill of supply, as the case may be, for such supply.

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

(2) A registered person opting to obtain separate registration for a place

³⁷Substituted vide Notf No. 03/2019-CT dt. 29.01.2019 w.e.f. 01.02.2019.

of business shall submit a separate application in FORM GST REG-01 in respect of such place of business.

- (3) The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, *mutatis mutandis*, apply to an application submitted under this rule].

12. Grant of registration to persons required to deduct tax at source or to collect tax at source

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

³⁸[(1A) A person applying for registration to ³⁹[deduct or]collect tax in accordance with the provisions of ⁴⁰[section 51, or, as the case may be], section 52, in a State or Union territory where he does not have a physical presence, shall mention the name of the State or Union territory in PART A of the application in FORM GST REG-07 and mention the name of the State or Union territory in PART B thereof in which the principal place of business is located which may be different from the State or Union territory mentioned in PART A].

- (2) The proper officer may grant registration after due verification and issue a certificate of registration in FORM GST REG-06 within a period of three working days from the date of submission of the application.
- (3) Where, ⁴¹[on a request made in writing by a person to whom a registration has been granted under subrule (2) or] upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person to whom a certificate of registration in FORM GST REG-06 has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued under sub-rule (2) and such cancellation shall be communicated to the said person electronically in FORM GST REG-08:

Provided that the proper officer shall follow the procedure as provided

³⁸Inserted vide Notf No. 74/2018-CT dt. 31.12.2018.

³⁹Inserted vide Notf No. 33/2019-CT dt. 18.07.2019.

⁴⁰ Inserted vide Notf No. 33/2019-CT dt. 18.07.2019.

⁴¹Inserted vide Notf No. 26/2022-CT dt. 26.12.2022.

in rule 22 for the cancellation of registration.

13. Grant of registration to non-resident taxable person

- (1) *A non-resident taxable person shall electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code, in FORM GST REG-09, at least five days prior to the commencement of business at the common portal either directly or through a Facilitation Centre notified by the Commissioner:*

Provided that in the case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number, if available.

- (2) *A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the common portal for making an advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) of rule 8 shall be issued electronically only after the said deposit in his electronic cash ledger.*
- (3) *The provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, mutatis mutandis, apply to an application submitted under this rule.*
- (4) *The application for registration made by a non-resident taxable person shall be ⁴²[duly signed or verified through electronic verification code] by his authorised signatory who shall be a person resident in India having a valid Permanent Account Number.*

14. Grant of registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient ⁴³[or to a person supplying online money gaming from a place outside India to a person in India].-

- (1) *Any person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient ⁴⁴[or any person supplying online money gaming from a place outside India to a person in India] shall electronically submit an application for registration, duly signed or verified through electronic verification code, in FORM GST REG-10, at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.*

⁴² Substituted vide Notf No. 7/2017-CT dt. 27.06.2017 for the word "signed"

⁴³ Inserted vide Notf No. 51/2023 - CT dt. 29.09.2023 w.e.f. 01.10.2023.

⁴⁴ Inserted vide Notf No. 51/2023-CT dt. 29.09.2023 w.e.f. 01.10.2023.

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

16. Suo moto registration

- (1) *Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in FORM GST REG-12.*

- (2) *The registration granted under sub-rule (1) shall be effective from the date of such order granting registration.*

- (3) *Every person to whom a temporary registration has been granted under sub-rule (1) shall, within a period of ninety days from the date of the grant of such registration, submit an application for registration in the form and manner provided in rule 8 or rule 12:*

Provided that where the said person has filed an appeal against the grant of temporary registration, in such case, the application for registration shall be submitted within a period of thirty days from the date of the issuance of the order upholding the liability to registration by the Appellate Authority.

- (4) *The provisions of rule 9 and rule 10 relating to verification and the issue of the certificate of registration shall, mutatis mutandis, apply to an application submitted under sub-rule (3).*
- (5) *The Goods and Services Tax Identification Number assigned, pursuant to the verification under sub-rule (4), shall be effective from the date of the order granting registration under sub-rule (1).*

17. Assignment of Unique Identity Number to certain special entities

- (1) *Every person required to be granted a Unique Identity Number in accordance with the provisions of sub-section (9) of section 25 may submit an application electronically in FORM GST REG-13, duly signed or verified through electronic verification code, in the manner specified in rule 8 at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.*

⁴⁵[(1A) *The Unique Identity Number granted under sub-rule (1) to a person under clause (a) of sub-section (9) of section 25 shall be applicable to*

⁴⁵Inserted vide Notf No. 75/2017-CT dt. 29.12.2017.

the territory of India.]

- (2) *The proper officer may, upon submission of an application in FORM GST REG-13 or after filling up the said form ⁴⁶ [or after receiving a recommendation from the Ministry of External Affairs, Government of India], assign a Unique Identity Number to the said person and issue a certificate in FORM GST REG-06 within a period of three working days from the date of the submission of the application.*

25. Physical verification of business premises in certain cases.

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

(2) Where the physical verification of the place of business of a person is required before the grant of registration in the circumstances specified in the proviso to sub-rule (1) of rule 9, the proper officer shall get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal at least five working days prior to the completion of the time period specified in the said proviso.]

Related provisions of the Statute

Section or Rule	Description
Section 22	Persons liable for registration
Section 24	Compulsory registration in certain cases

⁴⁶Inserted vide Notf No. 22/2017-CT dt. 17.08.2017.

⁴⁷Substituted vide Notf No. 38/2023-CT dt. 04.08.2023 before it was read as,

"25. [Physical verification of business premises in certain cases. Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication 2[or due to not opting for Aadhaar authentication] before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification]."

Section 51	Tax deduction at source
Section 52	Collection of tax at source

25.1 Analysis

Every registered person is considered a 'distinct person' for the limited purposes of GST law. This is a very important fiction created by law so as to overcome the deficiency to constitute a 'supply' between one branch to another of the same person (legal entity). But for this fiction, imputing 'supply' in respect of supply-like transactions between branches of the same entity or person would have been impossible inspite of existence of Schedule I. In fact, the fiction of 'distinct persons' flows from section 25 into Schedule I and supports the levy of tax on branch-transfers. While branch transfer involving goods is understandable, branch transfers involving services too are taxable, but that is discussed under the concept of supply which may be referred.

Section 25 read with rules 8 to 26 of the CGST Rules related to registration provides a detailed road map on the procedural aspects of the registration. The time limit for application is within 30 days (for persons other than casual taxable person or a non-resident taxable person) and casual taxable person or a non-resident taxable person shall have to obtain the registration at least 5 days prior to the commencement.

Single registration will be granted from one State or Union Territory and in case of persons having business across different States, then multiple registrations are granted. Now, as per *CGST (Amendment) Act, 2018* with effect from 01.02.2019, even in a single State, multiple registrations are possible wherever a person has multiple places of business in the same one State.

Concept of Aadhar Authentication implemented by Finance (No. 2) Act, 2019

Concept of Aadhar Authentication at the time of seeking registration has been introduced in the GST Act by inserting sub-sections (6A) to (6D) in section 25.

1. Section 25(6A) has been introduced which mandates a registered person to undergo Aadhar authentication or furnish proof of possession of Aadhaar number and empower the Government to make rules related to the same. Sub-rule (4A) was inserted in rule 8 w.e.f. 01.04.2020 *vide Notification No. 16/2020 - Central Tax dated 23.03.2020* in this regard. It has been substituted by *Notification No. 04/2023- Central Tax dated 31.03.2023* which provides that where an applicant, other than a person notified under

sub-section (6D) of section 25, opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or fifteen days from the submission of the application in Part B of Form GST REG-01 under sub-rule (4), whichever is earlier.

Provided that every application made under sub-rule (4) by a person, other than a person notified under sub-section (6D) of section 25, who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of section 25 where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in Form GST REG-01 at one of the Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after completion of the process laid down under this proviso.

Further, if Aadhaar number has not been assigned to such person, alternate and viable means of identification shall be provided through rules and correspondingly a proviso in rule 9(1) was inserted *vide Notification No. 16/2020 - Central Tax dated 23.03.2020* as amended *vide Central Tax Notification Nos. 62/2020, 94/2020 and 38/2023* which requires physical verification of principal place of business [~~in the presence of said person~~] in the following cases:

- (a) a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8 or does not opt for authentication of Aadhaar number; or
 - (aa) a person, who has undergone authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or
 - (c) the Proper Officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business,
2. The Proper Officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, shall carry

out physical verification of places of business and the verification report along with the other documents, including photographs, shall be uploaded in Form GST REG-30 on the common portal within a period of fifteen working days following the date of such verification.

As per the 2nd proviso in section 25(6A), if a registered person fails to undergo Aadhar authentication or furnish proof of possession of Aadhar number as per rule 8 or fails to furnish alternate and viable means of identification, then such registration shall be deemed to be invalid and other provisions of the CGST Act shall apply as if such person does not have a registration.

3. Section 25(6B) and section 25(6C) have been inserted to mandate Aadhar Authentication or furnish proof of possession of Aadhar number at the time of grant of registration to an individual and any person other than an individual. Also, if Aadhar number has not been assigned to the person, then an alternate and viable means of identification will be specified by way of a notification. *Notification No. 18/2020 - Central Tax dt. 23.03.2020* has been issued pursuant to Section 25(6B) to specify 01.04.2020 as the date from which an individual shall undergo Aadhar authentication as per rule 8 in order to be eligible for registration. Alternate and viable means of identification has been offered in the manner specified in rule 9.
4. Similarly, *Notification No. 19/2020- Central Tax dt. 23.03.2020 dt. 23.03.2020* has been issued pursuant to section 25(6C) for persons other than individuals, notifying 01.04.2020 as the date from which the authorised signatory of all type, Managing and Authorised partners in a partnership firm and Karta of an HUF shall undergo Aadhar authentication as per rule 8 in order to be eligible for grant of registration. Alternate and viable means of identification has been offered in the manner specified in rule 9.
5. Section 25(6D) empowers the Government on the recommendation of the council to specify persons or such class of persons or any State or Union territory or part thereof, on whom provisions of sub-section 6A, 6B and 6C shall not apply. *Notification no. 17/2020- Central Tax dated 23.03.2020 w.e.f. 01.04.2020* as superseded by *Notification no. 03/2021- Central Tax dated 23.02.2021*, specifies a person who is:
 - (a) not a citizen of India, or
 - (b) a department or establishment of Central Government or State Government, or
 - (c) a local authority, or
 - (d) a statutory Body, or

- (e) a Public Sector Undertaking, or
- (f) a person applying for registration under the provisions of sub-section (9) of Section 25.

on whom provisions of sections 25(6A), 25(6B) and 25(6C) shall not apply.

Procedure in case person opts for Aadhaar Authentication

Where an applicant opts for Aadhaar authentication, while submitting the application for registration, shall undergo Aadhaar authentication and the date of submission of such application of registration shall be the date of Aadhaar authentication or fifteen days from the date of submission of the application in Part B of Form GST REG-01 under sub-rule (4) of rule 8, whichever is earlier.

Biometric based Aadhaar Authentication:

Every application for registration made under rule 8(4) by a person, other than a person notified under section 25(6D), who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph of, –

- (a) In case of applicant being an Individual, of the applicant,
- (b) In case of applicant not being an individual, individuals in relation to such application, as notified under section 25(6C).

Such Aadhaar authentication shall be followed by the verification of original copy of the documents uploaded with the application in Form GST REG-01 at the Facilitation Centres.

The application for registration shall be deemed to be complete only after the completion of the Aadhaar authentication and verification of original copies of documents so uploaded along with the application for registration.

The notice for defective application to be issued in Form GST REG-03, in case of persons opting for Aadhaar authentication under rule 8(4A), shall be issued **within thirty days** from the date of submission of such application.

Non-Applicability of Biometric Based Aadhaar authentication: The biometric based Aadhaar authentication as specified under proviso to rule 8(4A) shall not apply in all States and Union Territories except the State of Gujarat. [Notification 27//2022 Central Tax dated 26.12.2022]. The applicability of this notification has now been extended to Puducherry vide Notification No. 31/2023-CT dt. 31.07.2023 and Andhra Pradesh vide Notification No. 54/2023- Central Tax dated 17.11.2023.

Furnishing of Bank Account Details [Rule 10A] — After a certificate of registration has been made available on the common portal and a GSTIN has been assigned, the registered person, shall furnish information with respect to details of bank account, which is in the name of the registered person and obtained on PAN of the registered person, or any other information, as may be required on the common portal in order to comply with any other provision within earlier of 30 days from the date of grant of registration or before furnishing the details of outward supplies of goods or services or both under section 37 in Form GSTR-1 or using invoice furnishing facility. Note: In case of a proprietorship concern, the PAN of the proprietor shall also be linked with the Aadhaar Number of the Proprietor.

However, this requirement of furnishing Bank Account Details shall not be applicable to

- persons who have been granted registration under rule 12 to persons required to deduct tax at source or to collect tax at source, or
- persons who have been granted registration under rule 16 on suo-motu basis by the Proper Officer.

6. Separate registration within the State in the same line of business has been allowed by removing the concept of business vertical

The concept of business vertical has been removed from GST (Business vertical meant different lines of businesses which carry different risk and reward) *vide* CGST (Amendment) Act, 2018 by substituting section 25(2) of the CGST Act. Consequently, rule 11 of the CGST Rules was substituted through *Notification No.03/2019-Central Tax dated 29.01.2019*.

Taxpayers can now opt for separate registrations in a State voluntarily based on location for each of the business (even though they are in similar line of business)

Illustration:

Situation	Pre-Amendment	Post-Amendment
Business 1 – IT Software Services Business 2 – Employee Training Services Location – Common Office	Separate registration not possible since the taxpayer has separate business vertical	Separate registration not possible since the businesses are operating from a common location
Business 1 – Hotel Business 2 – Hotel	Separate registration not possible since the	Separate registration possible since

Location – Separate Locations	taxpayer has single business vertical	businesses are located at different locations
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Further, as per *second proviso* to section 25, a Special Economic Zone unit or Special Economic Zone developer shall make a separate application for registration as distinct place of business from its other units located outside the Special Economic Zone. Rule 8 provides detailed procedure for application of registration by a person desirous of seeking registration under GST. All SEZ (developer or unit) within one State may operate with one GST registration and there is no requirement for separate registration for developer, unit or multiple units in (same or different) zones in same State.

Every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor. Regular registration DOES not permit credit-distribution. Refer discussion under section 2(61) and under section 23 (Issues and Concerns, point (c) above) regarding the scope for ISD to fall into disuse over time.

Q. Can more than one entity obtain GST registration from the same property?

Ans. Yes, if the property is clearly demarcated for specific registration, then more than one GST registration be obtained from the same property.

(Madras High Court in *M/S. BIO MED INGREDIENTS PVT. LTD.*, represented by its managing director versus the Assistant Commissioner (ST) / Commercial Tax officer, State Tax officer (Adjudication), Coimbatore., Deputy Tax Officer (roving squad) Coimbatore. (*W.P. No. 28811 of 2023 and W.M.P. No. 29632 of 2023*).

Where a person who is liable to be registered under this Act fails to obtain registration, the Proper Officer can proceed to register such person in the manner as may be prescribed.

A person not liable for registration (i) may opt for voluntary registration and (ii) then will be liable to 'all' compliance 'as if' such person was liable for registration. Unlike service tax where registration could be obtained even when threshold was below ` 10 lakhs but tax was to be paid only after turnover crossed Rs.10 lacs. GST makes a shift in this understanding, and this must be taken note of.

The registration shall be effective from the date on which the person

becomes liable to registration where the application for registration has been submitted within a period of thirty days from such date. Where an application for registration has been submitted by the applicant after the expiry of thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of the grant of registration.

The Registration Certificate is issued in Form GST REG-06.

The registration rules prescribe 31 different forms in respect of registration matters. The application for registration should be disposed off in a time bound manner and detailed time limits have been prescribed under the rules for various purposes.

Sl. No	Form No.	Title of the Form
1	GST REG-01	Application for registration
2	GST REG-02	Acknowledgement
3	GST REG-03	Notice for seeking additional information/ clarification/ documents relating to application for registration/ amendment/ cancellation
4	GST REG-04	Clarification/additional information/document for registration/ amendment/ cancellation
5	GST REG-05	Order of rejection of application for registration/ amendment/ cancellation
6	GST REG-06	Registration Certificate
7	GST REG-07	Application for Registration as Tax Deductor at source under section 51 or Tax Collector at source under section 52
8	GST REG-08	Order of cancellation of registration as Tax deductor at source or Tax collector at source
9	GST REG-09	Application for Registration of Non-Resident Taxable Person
10	GST REG-10	Application for registration of person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person
11	GST REG-11	Application for extension of registration period by causal taxable person or non-resident

		taxable person
12	GST REG-12	Order of Grant of Temporary registration/ <i>Suo Moto</i> Registration
13	GST REG-13	Application/ Form of grant of Unique Identity Number (UIN) to UN Bodies/ Embassies/ others
14	GST REG-14	Application for Amendment in Registration Particulars (For all types of registered persons)
15	GST REG-15	Order of Amendment
16	GST REG-16	Application for Cancellation of Registration
17	GST REG-17	Show Cause Notice for Cancellation of Registration
18	GST REG-18	Reply to the Show Cause Notice issued for cancellation for registration
19	GST REG-19	Order for Cancellation of Registration
20	GST REG-20	Order for dropping the proceedings for cancellation of registration
21	GST REG-21	Application for Revocation of Cancellation of Registration
22	GST REG-22	Order for revocation of cancellation of registration
23	GST REG-23	Show Cause Notice for rejection of application for revocation of cancellation of registration
24	GST REG-24	Reply to the notice for rejection of application for revocation of cancellation of registration
25	GST REG-25	Certificate of Provisional Registration
26	GST REG-26	Application for Enrolment of Existing Taxpayer
27	GST REG-27	Show Cause Notice for cancellation of provisional registration
28	GST REG-28	Order for cancellation of provisional registration
29	GST REG-29	Application for cancellation of registration of migrated taxpayers
30	GST REG-30	Form for Field Visit Report
31	GST REG-31	Intimation for Suspension and Notice for cancellation of Registration

Requirement of a Permanent Account Number or Tax Deduction and Collection Account Number

Every person who is liable to obtain registration or wants to obtain voluntary registration is required to have a Permanent Account Number (PAN).

Every person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number (TAN)

A non-resident taxable person can obtain registration on the basis of any other document as may be prescribed.

Registration for United Nations or Consulate or Embassy

Any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), Consulate or Embassy of foreign countries and any other person or class of persons as may be notified by the Commissioner, shall obtain a Unique Identity Number. The registration shall be for the purpose(s) notified, including seeking to claim refund of taxes paid by them, on the notified supplies of goods and/or services received by them. The supplier supplying to these organization is expected to mention the UIN on the invoices and treat such supplies as business to business (B2B) supplies.

Grant of Registration by Proper Officer

The registration or Unique Identity Number (UIN) is granted/ issued with effective dates. The registration or UIN is granted or rejected after due verification. A certificate of registration shall also be issued in prescribed form with effective date as may be prescribed. The Unique Identity Number granted to any person shall be applicable to the territory of whole India. (Reference *Notification No. 75/2017 - Central Tax dated 29.12.2017*)

A registration or a UIN shall be deemed to have been granted, after the period prescribed under sub-section (10) of section 25 of the Act expires, if no deficiency has been communicated to the applicant within that period. Also, the grant of registration or the Unique Identity Number under the CGST Act/SGST Act shall be deemed to be a grant of registration or the Unique Identity Number under the SGST/CGST Act provided that the application for registration or the UID has not been rejected/no deficiency has been communicated to applicant by the Proper Officer under SGST/CGST Act within the time specified. As per rule 17 of CGST Rules, the Proper Officer may upon submission of Form GST REG-13 assign UIN to these persons and issue a certificate in Form GST REG-06 within a period of 3 working days from the date of submission of application.

Physical Verification of Place of Business

Prior to amendment by *Notification 16/2020 – Central Tax dated 23.03.2020* - Where the Proper Officer is satisfied that the physical verification of the place of business of a registered person is required after the grant of registration, he may get such verification done. The verification report along with the other documents, including photographs, shall be uploaded in Form GST REG-30 on the common portal within a period of 15 working days following the date of such verification.

After amendment by *Notification 16/2020 -Central Tax dated. 23.03.2020* - Where the Proper Officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication, or due to not opting for Aadhaar authentication before the grant of registration or a person, who has undergone authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business; or the Proper Officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business, or due to any other reason after the grant of registration, he may get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in Form GST REG-30 on the common portal within a period of 15 working days following the date of such verification. The requirement of the presence of registered person at the time of physical verification of place of business for the purpose of verification of the registration application and granting of registration, has been done away with vide *Notification No. 38/2023-Central Tax dated 04.08.2023*.

To address the problem of fake registration and fake input tax credit, *Instruction No.01/2023-GST dated 04.05.2023* had been issued for concerted and coordinated action on a mission mode by Central and State tax authorities in the form of a Special All-India Drive against fake registrations. *Instruction No. 03/2023-GST dt. 14.06.2023* has been issued to provide guidelines for processing of applications for registration where unscrupulous elements are obtaining fake/ bogus registration under GST and defrauding the Government exchequer. Such fake/ non-genuine registrations are being used to fraudulently pass on input tax credit to unscrupulous recipients by issuing invoices without any underlying supply of goods or services or both. In this context, it has been further felt that verification of applications for registration by the Proper Officers is one of the most crucial steps in the direction of preventing the menace of fake or bogus registrations. Accordingly, guidelines have been issued for strengthening the process of verification of applications for registration at the end of tax officers in a uniform manner. The Principal Chief Commissioner/ Chief Commissioner of the CGST Zones are supposed to closely supervise the status of processing of the applications of registration, including physical verifications, within their

zones.

Statutory Provisions

26. Deemed registration

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

Related provisions of the Statute:

Section or Rule	Description
Section 22	Persons liable for registration
Section 25	Procedure for registration

26.1 Analysis

These are the linking provisions between the Central Goods and Services Tax and State/Union Territory Goods and Services Tax Act. By enabling these provisions, the burden of taking registrations under various Acts has been removed. Thus, if a supplier takes a registration under one Act it shall be deemed that the registration has also been obtained under the other Act and *vice-versa*. Even otherwise the registration must be taken on the common portal and is based on the PAN hence the registration will remain common across various Acts.

However, if the registration is rejected under the Central Goods and Services Tax Act, then such rejection will be treated as if the registration has not been obtained under State/Union Territory Goods and Services Tax Act.

If an application for registration has been rejected under State/Union Territory Goods and Services Tax Act, then it shall be deemed that the same has been rejected under the Central Goods and Services Tax Act.

Rejection of Application for Registration:

The Proper Officer shall not reject the application for registration or the

Unique Identification Number (UIN) without giving a notice to show cause and without giving the person a reasonable opportunity of being heard.

This implies that the decision to reject an application under this section shall be only after following the principles of natural justice and after a due process of law by issuance of an order. It should also be noted that any rejection of application for registration or the Unique Identity Number under the CGST Act/ SGST Act shall be deemed to be a rejection of application for registration under the SGST Act/ CGST Act respectively as the case may be.

Statutory Provisions

27. Special provisions relating to casual taxable person and non-resident taxable person

(1) *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 ninety days from the effective date of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration:*

Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of ninety days by a further period not exceeding ninety days.

(2) *A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (1) of section 25, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought:*

Provided that where any extension of time is sought under sub-section (1), such taxable person shall deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.

(3) *The amount deposited under sub-section (2) shall be credited to the electronic cash ledger of such person and shall be utilized in the manner provided under section 49.*

Extract of the CGST Rules, 2017

15. Extension in period of operation by casual taxable person and non-resident taxable person

(1) *Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in FORM GST REG-11 shall be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner, by such*

person before the end of the validity of registration granted to him.
 (2) *The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.*

Related provisions of the Statute:

Section or Rule	Description
Section 2(20)	Definition of 'Casual Taxable Person'
Section 2(77)	Definition of 'Non-Resident Taxable Person'
Section 7	Supply
Section 22	Persons liable for registration
Section 24	Compulsory registration in certain cases
Section 25	Procedure for registration

27.1 Analysis

Casual taxable person ('CTP') is defined in section 2(20) to be a 'person' and not 'registered person' who occasionally undertakes transactions involving supply, etc. This definition in CGST Act is also present in SGST/UTGST Act. So, there are 'two States' that come in for consideration, that is, one State where the said person is 'regularly' undertaking transactions involving supply and another State where the said person is 'occasionally' undertaking transactions involving supply. This two-State premise is explained by the fact that if the said person is only present in one State, then in that State whether the transactions undertaken are 'regular' or 'occasional' are not relevant because the said person cannot be denied the 'exemption threshold' (available in section 22) in that State. So, the two-State premise identifies the State where the said person is 'regularly' undertaking transactions of supply (home-State) and the other where the said is 'occasionally' undertaking transactions of supply (host-State).

Occasional Transactions:

'Occasional' means non-recurring and does not mean 'intermittent'. First-time application to register as CTP may not be questioned about the 'occasional' nature of transactions involving supply in host-State but a second-time application (after deregistration on completion of said occasional project) may not be readily accepted. Second and subsequent occasion of CTP registration may actually call for an inquiry into possibility of 'regular registration' in said host-State. So, there are multiple ways in which one could go wrong with CTP and experts caution that CTP should not be interchanged with regular

registration.

Contrasted with CTP, non-resident taxable person ('NRTP') may be examined by its definition in section 2(77) which appears to be identical to the definition of CTP in section 2(20) except for:

Characteristics	CTP 2(20)	NRTP 2(77)
Occasional transactions of supply	✓	✓
Goods or services or both	✓	✓
In the course or furtherance of business	✓	-
Principal or as Agent or otherwise	✓	✓
Without a fixed place of business	In a State/UT	In India
Without a residence	-	✓

From the above comparison, the following aspects may be noted:

- CTP must have a pre-existing 'business' except that there is no POB in host-State but the question of pre-existing business is irrelevant for NRTP. But when supply in section 7(1) is attracted only when there is a 'business', whether NRTP could come within the scope of supply in the absence of a business. Answer may be found in section 7(1)(b) where 'business' is NOT a criterion to come within the definition of 'supply'. Also, please note that vide entry 10(b) to *Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017*, 'non business purposes' have been exempted from GST. So, 'business' does become relevant factor even for NRTPs. Care must be taken to come within the IGST exemption and not presume that non-business activities by NRTPs will be exempt because this entry 10(b) found in IGST exemption is NOT available in CGST exemption notification (*Notification No.12/2017-Central Tax (Rate) dated 28.06.2017*). So, pre-existing business is relevant for CTP and NRTP but on different basis.
- CTP in one who does not have a POB in host-State but NRTP should neither have POB or Residence in the whole of India. Please take care to avoid erroneous classification of Project Offices and Branch Offices as NRTP. They do have a POB as stated in their RBI approval. So, PO and BO (of foreign companies) are NOT CTPs or NRTPs but liable to regular registration even though they may undertake only one project (esp. PO). Now, Liaison Office or Representative Office (of foreign

companies) are barred from undertaking any 'business-like' activities and hence are neither CTP nor NRTP. Reference may be had to *Raj. AAR in HABUFA MEUBELEN B.V. 2018 (14) G.S.T.L. 596 (AAR)* wherein LO was held not to be liable to registration under GST. Care must be taken to investigate if LOs attract registration under section 24(iii) for making payments attracting GST on reverse charge basis.

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 ninety days from the effective date of registration, whichever is earlier, extendable by Proper Officer for further period of maximum 90 days at the request of taxable person.

A casual taxable person or a non-resident taxable person, while seeking registration, shall make an advance deposit of tax in an amount equivalent to the estimated tax liability. Where any extension of time is sought, such taxable person shall deposit an additional amount of tax equal to the estimated tax liability for the period for which the extension is sought.

Such deposit shall be credited to the electronic cash ledger of casual taxable person or non-resident taxable person and utilized in the manner provided under section 49 (Payment of tax, interest, penalty and other amounts) of the Act.

Since the nature of the activity carried out by a casual taxable person and non-resident taxable person are temporary as compared to a regular taxable person, additional safeguards have been placed to ensure that the registration is granted for a limited period and the tax liability is recovered in advance.

Rule 13 of the CGST Rules, 2017 provides for the detailed process of grant of registration to non-resident taxable person and rule 15 provides for the process of extension in period of operation by casual taxable person and non-resident taxable person.

A non-resident taxable person shall electronically submit an application, along with a self-attested copy of his valid passport, for registration, duly signed or verified through electronic verification code, in Form GST REG-09, at least five days prior to the commencement of business. In the case of business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number.

A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the common portal for making an

advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule 5 of rule 8 shall be issued electronically only after the said deposit in his electronic cash ledger.

Rule 9 and rule 10 of the CGST Rules, 2017 shall also apply to an application submitted under this rule. The application for registration made by a non-resident taxable person shall be duly signed or verified through electronic verification code by his authorized signatory who shall be a person resident in India having a valid Permanent Account Number.

Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in Form GST REG-11 shall be submitted electronically, by such person before the end of the validity of registration granted to him. Such application shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

Circular No. 71/45/2018-GST dated 26.10.2018, clarified that in case of long running exhibitions (for a period more than 180 days), the taxable person cannot be treated as a casual taxable person and thus, such person would be required to obtain registration as a normal taxable person. He can surrender such registration once the exhibition is over. In such cases he would not be required to pay advance tax for the purpose of registration.

Deposit of tax

For casual taxable persons, there was lack of clarity on whether the term 'tax liability' refers to output tax liability before adjustment of input tax or after adjustment of input tax. Having to make an advance deposit of tax on the output tax liability (without adjustment of input tax) would be unfair to the taxpayers and cause undue financial hardships. In this regard, *Circular No. 71/45/2018-GST dated 26.10.2018* has been issued to clarify that tax to be deposited by the casual taxable person will be "estimated net tax liability" after considering ITC available to such taxable person.

Illustration:

Casual Taxable Person (CTP) registration can be an important tool for efficacious utilisation of Input Tax Credit. If CTP registration is obtained for a State, then, a person can avail ITC for the tax charged (CGST and SGST) of that particular State.

Consider a case where Mr. A, an Event Manager, registered in New Delhi is approached by M/s Orange Mobile, registered in Madhya Pradesh, for organising an event of their new product launch in Mumbai. Event is to be organised in "Hotel Lilawati" Mumbai. Event is to be held in conference hall of the hotel, also some rooms are also booked for the stay of business

associates of M/s Orange Mobile. Hotel Lilawati will charge Mr. A, a total sum of ` 50 Lakhs for accommodation of hotel rooms and conference hall.

It is to be noted that by virtue of section 12(3)(b) & (c) of IGST Act, place of supply by way of lodging accommodation by a hotel and by way of accommodation in any immovable property for organizing any marriage or reception or matters related thereto, official, social, cultural, religious or business function including services provided in relation to such function at such property shall be the location at which the immovable property is located. Therefore, Hotel Lilawati will charge CGST and Maharashtra GST on their services. Now consider two scenarios

Scenario 1. Mr. A does not take CTP registration in Maharashtra.

In this case Mr. A being registered in New Delhi will not be able to avail ITC in respect of GST charged by Hotel Lilawati, Mumbai as the hotel will charge CGST and Maharashtra GST, this will add to cost of Mr. A.

Scenario 2. Mr. A takes CTP registration in Maharashtra.

In this case, Mr. A being 'temporarily' registered in Maharashtra can avail ITC in respect of tax charged by Hotel Lilawati. Further Mr. A can also raise tax invoice from Maharashtra registration under IGST head to M/s Orange Mobile, registered in Madhya Pradesh by virtue of section 12(2)(a) of the IGST Act.

Obtaining CTP registration in Maharashtra will be beneficial for Mr. A and it will result in seamless flow of credit, thereby reducing the cost of his services.

Statutory Provisions

28. Amendment of Registration

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

Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a rejection or approval under this Act.

Extract of the CGST Rules, 2017

19. Amendment of registration

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

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

- (i) legal name of business;*
- (ii) address of the principal place of business or any additional place(s) of business; or*
- (iii) addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for the day to day affairs of the business; -*

which does not warrant cancellation of registration under section 29, the proper officer shall, after due verification, approve the amendment within a period of fifteen working days from the date of the receipt of the application in FORM GST REG-14 and issue an order in FORM GST REG-15 electronically and such amendment shall take effect from the date of the occurrence of the event warranting such amendment;

- (b) the change relating to sub-clause (i) and sub-clause (iii) of clause (a) in any State or Union territory shall be applicable for all registrations of the registered person obtained under the provisions of this Chapter on the same Permanent Account Number;*
- (c) where the change relates to any particulars other than those specified in clause (a), the certificate of registration shall stand amended upon submission of the application in FORM GST REG-*

14 on the common portal;

- (d) where a change in the constitution of any business results in the change of the Permanent Account Number of a registered person, the said person shall apply for fresh registration in FORM GST REG-01:

Provided further that any change in the mobile number or e-mail address of the authorised signatory submitted under this rule, as amended from time to time, shall be carried out only after online verification through the common portal in the manner provided under ⁴⁸[sub-rule (2) of rule 8.]

⁴⁹[(1A) Notwithstanding anything contained in sub-rule (1), any particular of the application for registration shall not stand amended with effect from a date earlier than the date of submission of the application in FORM GST REG-14 on the common portal except with the order of the Commissioner for reasons to be recorded in writing and subject to such conditions as the Commissioner may, in the said order, specify.]

- (2) Where the proper officer is of the opinion that the amendment sought under sub-rule (1) is either not warranted or the documents furnished therewith are incomplete or incorrect, he may, within a period of fifteen working days from the date of the receipt of the application in FORM GST REG-14, serve a notice in FORM GST REG-03, requiring the registered person to show cause, within a period of seven working days of the service of the said notice, as to why the application submitted under sub-rule (1) shall not be rejected.
- (3) The registered person shall furnish a reply to the notice to show cause, issued under sub-rule (2), in FORM GST REG-04, within a period of seven working days from the date of the service of the said notice.
- (4) Where the reply furnished under sub-rule (3) is found to be not satisfactory or where no reply is furnished in response to the notice issued under sub-rule (2) within the period prescribed in sub-rule (3), the proper officer shall reject the application submitted under sub-rule (1) and pass an order in FORM GST REG-05.
- (5) If the proper officer fails to take any action: -
- (a) within a period of fifteen working days from the date of submission

⁴⁸Substituted vide Notf No. 7/2017-CT dt. 27.06.2017 for the said rule. Applicable with retrospective effect from 22.06.2017.

⁴⁹Inserted vide Notf No. 75/2017-CT dt. 29.12.2017.

of the application, or

(b) within a period of seven working days from the date of the receipt of the reply to the notice to show cause under sub-rule (3),

the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the common portal.

Related provisions of the Statute

Section or Rule	Description
Section 22	Persons liable for registration
Section 25	Procedure for registration

28.1 Analysis

There are various situations in which the Registration Certificate issued by the competent authority requires amendment in line with real time situations. Under these circumstances, every registered taxable person shall inform any changes in the information furnished at the time of registration.

The Proper Officer shall not reject the request for amendment without affording a reasonable opportunity of being heard by following the principles of natural justice. Any rejection or, approval of amendments under the State Goods and Services Tax Act or Union Territory Goods and Services Act shall be deemed to be a rejection or approval of amendments under the Central Goods and Services Tax Act.

Rule 19 of the CGST Rules, 2017 provide for the detailed process of amendment of registration under GST.

Important Points

- Any change in registration particulars has to be informed within 15 days of change
- Proper Officer may approve/ reject amendment
- No rejection without giving an opportunity of being heard
- Rejection of amendment under CGST will be a deemed rejection under SGST and *vice-versa*

As per *Notification No. 75/2017-Central Tax dated 29.12.2017*, it may be noted that amendment in Registration Certificate (in FORM GST REG-14) will stand amended only from the date of application for amendment and not earlier than the date of submission of application except with the order of

Commissioner.

Consequence of not registering Additional place of business

It is very important to apply for registration of additional place of business as per provisions of section 2(85) within 15 days from the date of change in such additional place or occupying new place of business. If an inspection or search under section 67 is conducted on place(s) of business of a taxable person and if all the place(s) of business does not find mention in GST registration certificate, then department will presume that any goods stored in such place of business and any other document or books or things are 'secreted' at such place and are liable for seizure.

Statutory Provisions

29. Cancellation ⁵⁰[or Suspension] of registration

(1) *The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where, —*

(a) *the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or*

(b) *there is any change in the constitution of the business; or*

(c) ⁵¹*[the taxable person is no longer liable to be registered under section 22 or section 24 or intends to optout of the registration voluntarily made under sub-section (3) of section 25]:*

⁵²*[Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed].*

(2) *The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where, —*

(a) *a registered person has contravened such provisions of the Act*

⁵⁰ *Inserted vide The Central Goods & Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019.*

⁵¹ *Substituted vide The Finance Act, 2020. Brought into force w.e.f. 01.01.2021 vide Notf No. 92/2020-CT dt. 22.12.2020.*

⁵² *Inserted vide The Central Goods & Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019.*

or the rules made thereunder as may be prescribed; or

- (b) a person paying tax under section 10 has not furnished ⁵³[the return for a financial year beyond three months from the due date of furnishing the said return]; or
- (c) any registered person, other than a person specified in clause (b), has not furnished returns for ⁵⁴[such continuous tax period as may be prescribed]; 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:

Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard:

⁵⁵[Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed].

- (3) The cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.
- (4) The cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under this Act.
- (5) Every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is

⁵³ Substituted vide The Finance Act, 2022 through Notf. No.18/2022 dt. 28.09.2022 w.e.f 01.10.2022.

⁵⁴ Substituted vide The Finance Act, 2022 through Notf. No.18/2022 dt. 28.09.2022 w.e.f. 01.10.2022.

⁵⁵ Inserted vide The Central Goods & Services Tax (Amendment) Act, 2018 w.e.f. 01.02.2019.

higher, calculated in such manner as may be prescribed:

Provided that in case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.

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

Extract of the CGST Rules, 2017

20. Application for cancellation of registration

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

~~⁵⁶[Provided that no application for the cancellation of registration shall be considered in case of a taxable person, who has registered voluntarily, before the expiry of a period of one year from the effective date of registration.]~~

21. Registration to be cancelled in certain cases

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

- (a) *does not conduct any business from the declared place of business; or*

⁵⁷*[(b) issues invoice or bill without supply of goods or services⁵⁸ [or both]*

⁵⁶Omitted vide Notf No. 03/2018-CT dt. 23.01.2018.

⁵⁷Inserted vide Notf No. 07/2017-CT dt. 27.06.2017.

in violation of the provisions of this Act, or the rules made thereunder; or

(c) *violates the provisions of section 171 of the Act or the rules made thereunder.]*

⁵⁹*[(d) violates the provision of rule 10A.]*

⁶⁰*[(e) avails input tax credit in violation of the provisions of section 16 of the Act or the rules made thereunder; or*

(f) *furnishes the details of outward supplies in FORM GSTR-1 under section 37 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return under section 39 for the said tax periods; or*

(g) *violates the provision of rule 86B]*

⁶¹*[(h) being a registered person to file return under subsection (1) of section 39 for each month or part thereof, has not furnished returns for a continuous period of six months.*

(i) *being a registered person to file return under proviso to subsection (1) of section 39 for each quarter or part thereof, has not furnished returns for a continuous period of two tax periods.]*

⁶²**[21A. Suspension of registration.**

(1) *Where a registered person has applied for cancellation of registration under rule 20, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration under rule 22.*

(2) *Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29 or under rule 21, he may, ⁶³~~after affording the said person a reasonable opportunity of being heard~~, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for*

⁵⁸*Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.*

⁵⁹*Inserted vide Notf No. 31/2019-CT dt. 28.06.2019.*

⁶⁰*Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.*

⁶¹*Inserted vide Notf No. 19/2022-CT dt. 28.09.2022 w.e.f. 01.10.2022.*

⁶²*Inserted vide Notf No. 03/2019-CT dt. 29.01.2019 w.e.f. 01.02.2019.*

⁶³*Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.*

cancellation of registration under rule 22.

⁶⁴[(2A) Where,-

- (a) a comparison of the returns furnished by a registered person under section 39 with the details of outward supplies furnished in FORM GSTR-1 or the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their FORM GSTR-1, or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, or
- (b) there is a contravention of the provisions of rule 10A by the registered person, the registration of such person shall be suspended and the said person shall be intimated in FORM GST REG-31, electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences, anomalies or non-compliances and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.]
- (3) A registered person, whose registration has been suspended under sub-rule (1) or sub-rule (2), ⁶⁵[or sub-rule (2A)] shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39.

⁶⁶[Explanation.- For the purposes of this sub-rule, the expression "shall

⁶⁴Substituted vide Notf No. 38/2023-CT dt. 04.08.2023 for the following:

* [Where, a comparison of the returns furnished by a registered person under section 39 with

(a) the details of outward supplies furnished in FORM GSTR-1; or
 (b) the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their FORM GSTR-1,
 or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, his registration shall be suspended and the said person shall be intimated in FORM GST REG-31, electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences and anomalies and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled].

⁶⁵Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.

⁶⁶Inserted vide Notf No. 49/2019-CT dt. 09.10.2019.

not make
any taxable supply” shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension].

⁶⁷[(3A) A registered person, whose registration has been suspended under sub-rule (2) or sub-rule (2A), shall not be granted any refund under section 54, during the period of suspension of his registration.]

(4) The suspension of registration under sub-rule (1) or sub-rule (2) ⁶⁸[or sub-rule (2A)] shall be deemed to be revoked upon completion of the proceedings by the proper officer under rule 22 and such revocation shall be effective from the date on which the suspension had come into effect.]

⁶⁹[Provided that the suspension of registration under this rule may be revoked by the proper officer, anytime during the pendency of the proceedings for cancellation, if he deems fit.]

⁷⁰[Provided further that where the registration has been suspended under sub-rule (2A) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of section 29 and the registration has not already been cancelled by the proper officer under rule 22, the suspension of registration shall be deemed to be revoked upon furnishing of all the pending returns.]

⁷¹[Provided also that where the registration has been suspended under sub-rule (2A) for contravention of provisions of rule 10A and the registration has not already been cancelled by the proper officer under rule 22, the suspension of registration shall be deemed to be revoked upon compliance with the provisions of rule 10A.]

⁷² [(5) Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply].

⁶⁷Omitted vide Notf No. 94/2020-CT dt. 22.12.2020.

⁶⁸Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.

⁶⁹Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.

⁷⁰Inserted vide Notf No. 14/2022-CT dt. 05.07.2022.

⁷¹Inserted vide Notf No. 38/2023-CT dt.04.08.2023.

⁷²Inserted vide Notf No. 49/2019-CT dt. 09.10.2019.

22. Cancellation of registration.

- (1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in FORM GST REG-17, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled.
- (2) The reply to the show cause notice issued under sub-rule (1) shall be furnished in FORM GST REG-18 within the period specified in the said sub-rule.
- (3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in FORM GST REG-19, within a period of thirty days from the date of application submitted under ⁷³[sub-rule (1) of] rule 20 or, as the case may be, the date of the reply to the show cause issued under sub-rule (1), ⁷⁴[or under sub-rule (2A) of rule 21A] cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including the amount liable to be paid under sub-section (5) of section 29.
- (4) Where the reply furnished under sub-rule (2), ⁷⁵[or in response to the notice issued under sub-rule (2A) of rule 21A] is found to be satisfactory, the proper officer shall drop the proceedings and pass an order in FORM GST REG-20:
⁷⁶[Provided that where the person instead of replying to the notice served under sub-rule (1) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of section 29, furnishes all the pending returns and makes full payment of the tax dues along with applicable interest and late fee, the proper officer shall drop the proceedings and pass an order in FORM GST-REG-20.]
- (5) The provisions of sub-rule (3) shall, mutatis mutandis, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.

⁷³Omitted vide Notf No. 7/2017-CT dt. 27.06.2017.

⁷⁴Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.

⁷⁵Inserted vide Notf No. 94/2020-CT dt. 22.12.2020.

⁷⁶Inserted vide Notf No. 39/2018-CT dt. 04.09.2018.

Related provisions of the Statute:

Section or Rule	Description
Section 10	Composition Levy
Section 22	Persons liable for registration
Section 24	Compulsory registration in certain cases
Section 25	Procedure for registration
Rule 44	Manner of reversal of credit under special circumstances

29.1 Analysis

Any registration granted under this Act may be cancelled by the Proper Officer. The various circumstances and the provisions of the law on this subject have been outlined under this section.

A registration granted can be cancelled by the Proper Officer, either on his own or on application by the registered person when –

- the business is discontinued, transferred fully for any reason including death of proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or
- there is any change in the constitution of the business; or
- the taxable person is no longer liable to be registered under sections 22 or section 24 or intends to opt out of the registration voluntarily.

Further, the Proper Officer may cancel the registration from a date, including any retrospective date, in case when –

- the registered taxable person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
- a person paying tax under Composition Scheme has not furnished the annual return for a financial year beyond three months from the due date of furnishing the said return; or
- any registered person (other than Composition taxpayer) who has not furnished returns for such prescribed continuous tax periods (Refer Rule 21); or
- any person who has taken voluntary registration and has not commenced business within six months from the date of registration; or

- where registration has been obtained by means of fraud, wilful misstatement or suppression of facts.

This is possible only after the person is afforded an opportunity of being heard.

The CGST (Amendment) Act, 2018 with effect from 01.02.2019 provided that during the pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.

As such, cancellation of registration, shall not affect the liability of the taxable person to pay tax and other dues under the Act for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation. The cancellation of registration under State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a cancellation of registration under the Central Goods and Service Tax Act.

Where the registration is cancelled, the registered taxable person shall pay an amount 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 on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher. The payment can be made by way of debit in the electronic credit or electronic cash ledger.

Note: Generally, it is the input tax credit in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock, which will be payable because output tax payable on such goods is a future event and tax liability is to be determined on the value of goods computed in accordance with section 15, which may not necessarily be the Maximum Retail Price.

In case of capital goods, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods reduced by the prescribed percentage points or the tax on the transaction value of such capital goods [under sub-section (1) of section 15 (Value of taxable supply) of Act], whichever is higher. The amount payable under these provisions shall be calculated in accordance with rule 44 of CGST Rules. The supplier who intends to cancel his registration will be required to file his Final Return in Form GSTR-10 so as to complete cancellation of registration effectively. (Reference may be made to *Notification No. 21/2018-Central Tax dated 18.04.2018*).

As per rule 20 of the CGST Rules, 2017, application for cancellation of registration by a registered person other than persons required to deduct TDS/TCS or person to whom UIN is granted needs to be made in Form GST

REG-16 along with requisite details. In case of a person whose turnover does not exceed the threshold limit but has obtained registration voluntarily may also cancel registration any time during the year. This provision has been introduced *vide Notification 3/2018–Central Tax dated 23.01.2018*. Earlier, such person could not apply for cancellation before expiry of one year from the effective date of registration.

Rule 21 of the CGST Rules, 2017, provides for cases of cancellation of registration and includes the following:

- a. does not conduct any business from the declared place of business, or
- b. issues invoice or bill without supply of goods or services or both in violation of the provisions of Act or Rules made thereunder,
- c. violates the provisions of section 171 of the Act relating to Anti-Profitteering Measures or the rules made thereunder,
- d. violates the provisions of Rule 10A relating to furnishing of Bank Accounts,
- e. avails input tax credit in violation of the provisions of section 16 of the Act or the rules made thereunder; or
- f. furnishes the details of outward supplies in Form GSTR-1 under section 37 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return under section 39 for the said tax periods; or
- g. violates the provision of rule 86B relating to restrictions on use of amount available in electronic credit ledger.
- h. Non-filing of returns by registered persons (Including persons opting for QRMP Scheme for prescribed number of tax periods – Refer Below)

Note: As per rule 21, GST registration can be cancelled if a person issues invoice or bill without supply of goods or services or both however, rule 21 does not include a condition where a person supplies goods or services or both without issuing invoice or bill.

Reasons for Cancellation

- Transfer of business or discontinuation of business
- Change in the constitution of business. (Partnership Firm may be changed to Sole Proprietorship due to death of one of the two partners, leading to change in PAN)
- Persons no longer liable to be registered under sections 22 or 24 or

intend to opt out of voluntary registration.

- Where registered taxable person has contravened provisions of the Act as may be prescribed.
- A composition supplier has not furnished return for a Financial Year beyond 3 months from the due date of furnishing such return/ any other registered person has not furnished returns for such prescribed number of tax periods.

(Prescribed number of Tax periods – In case of a registered person

- (a) Other than persons paying tax under QRMP Scheme notified under proviso to 39(1), failure to furnish return for a continuous period of six months
- (b) Persons paying tax under QRMP Scheme notified under proviso to 39(1), failure to furnish return for a continuous period of two tax periods.)

- Non-commencement of business within 6 months from date of registration by a person who has registered voluntarily.
- Where registration has been obtained by means of fraud, willful misstatement or suppression of facts, the registration may be cancelled with retrospective effect.

Rule 21A of the CGST Rules, 2017, provides for suspension of registration in the following manner-

- Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration under rule 22.
- Where the Proper Officer has reasons to believe that the registration of a person is liable to be cancelled, he may, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration under rule 22.

Suspension based on Technical Analysis:

- Sub-rule (2A) of rule 21A, provides for immediate suspension of registration of a person, as a measure to safeguard the interest of revenue, on observance of such discrepancies/ anomalies which

indicate violation of the provisions of Act and rules made thereunder and that continuation of such registration poses immediate threat to revenue. Such action may be taken as a result of

- Comparison of the returns furnished by a registered person under section 39 with the details of outward supplies furnished in Form GSTR-1 or
 - Analysis of the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their Form GSTR-1, or
 - Contravention of provisions of rule 10A i.e., where the registered fails to furnish the bank account details within the prescribed time.
 - such other analysis, as may be carried out on the recommendations of the Council,
- In case of observance of significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, his registration shall be suspended and the said person shall be intimated in Form GST REG-31, electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences and anomalies and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.
 - **Deemed Revocation:** Where registration is suspended under rule 21A(2A) due to contravention of provisions of section 29(2)(b) or 29(2)(c) (i.e., provisions relating to non-filing of returns for such continuous number of tax periods as prescribed under rule 21) and the registration has not already been cancelled by the Proper Officer, such suspension shall be deemed to be revoked upon furnishing of all the pending returns.
 - As per *Circular 145/01/2021 GST dated 11.02.2021*, it was clarified that till the time functionality for FORM REG-31 is made available on the GST portal, such notice/ intimation shall be made available to the taxpayer on their dashboard on common portal in Form GST REG-17. The taxpayers will be able to view the notice in the “View/Notice and Order” tab post login.

Effect of Suspension of Registration

- A registered person, whose registration has been suspended, *shall not*

make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39. It is clarified that the meaning of the term *shall not make any taxable supply* shall be that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension.

- A registered person, whose registration has been suspended under sub-rule (2) or sub-rule (2A), shall not be granted any refund under section 54, during the period of suspension of his registration.

Revocation of Suspension of Registration

The suspension of registration shall be deemed to be revoked upon completion of the proceedings by the Proper Officer under rule 22 and such revocation shall be effective from the date on which the suspension had come into effect.

It is to be noted that suspension of registration as above may be revoked by the Proper Officer, anytime during the pendency of the proceedings for cancellation, if he deems fit.

Cancellation of Registration

The registration of a taxpayer is cancelled only upon passing of the cancellation order by the Jurisdictional Officer. In order to ensure that the taxpayer who have applied for cancellation of registration are not burdened with return filing, amendments have been made to section 29 of the CGST Act to change the status of registration to “suspended”. Once the officer changes the status of the registration to “suspended”, the taxpayer would not be required to file the GST returns till the order for cancellation has been passed and once the order for cancellation is passed, the taxpayer can file the final return and complete the de-registration formalities.

Rule 22 of the CGST Rules, 2017, provides for process of cancellation of registration and includes the following:

- Cancellation can be done by Proper Officer suo moto or on application made by the registered person;
- Retrospective cancellation in case of fraud, wilful misstatement or suppression of fact;
- Liability to pay tax before the date of cancellation will not be affected;
- Cancellation under CGST Act will be deemed cancellation under SGST Act and *vice-versa*;

- Substantial penalty in case of registration obtained with fraudulent intentions;
- Notice of hearing and opportunity of being heard is a must before cancellation.

Further, Government has issued *Circular No. 69/43/2018-GST, dated 26.10.2018* amended vide *Circular No. 88/07/2019-GST, dated 01.02.2019* on standard operating procedure for processing of applications for cancellation of registration submitted in Form GST REG-16.

Final Return : As per section 45 read with rule 81, every registered person who is required to furnish a return under sub-section (1) of section 39 and whose registration has been cancelled shall furnish online on the GST Portal, a final return within three months of the date of cancellation or date of order of cancellation, whichever is later, in Form GSTR-10 as specified in rule 81.

Through *Circular No. 95/14/2019-GST dt. 28.03.2019*, the Proper Officers have been advised to carefully verify the applications received for grant of new registration. It has come to notice that the taxpayers whose registrations have been cancelled and who desire to continue to carry on business and therefore are required to have registration under GST, are not applying for revocation of cancellation of registration as specified in section 30 read with rule 23. Instead, such persons are applying for fresh registration. Such new applications might have been made as such person may not have furnished requisite returns and not paid tax for the tax periods covered under the old/cancelled registration. Further, such persons would be required to pay all liabilities due from them for the relevant period in case they apply for revocation of cancellation of registration. Hence, to avoid payment of the tax liabilities, such persons may be using the route of applying for fresh registration. It is pertinent to mention that as per the provisions contained in proviso to sub-section (2) of section 25 of the CGST Act, a person may take separate registration on same PAN in the same State. It is possible that the applicant may suppress some material information in relation to earlier registration. Hence, the Proper Officers have been instructed that they may exercise due caution while processing the application for registration submitted by the taxpayers, where the taxpayer is seeking another registration within the State although he has an existing registration within the said State, or his earlier registration has been cancelled. It may be noted that not applying for revocation of cancellation of registration along with the continuance of the conditions specified in clauses (b) and (c) of sub-section (2) of section 29 of the CGST Act shall be deemed to be a "deficiency" within the meaning of sub-rule (2) of rule 9 of the CGST Rules. Proper Officer will verify the application for new registration by

fetching the details of registration taken on the PAN mentioned in the new application vis-a-vis cancellation of registration obtained on same PAN. The information regarding the status of other registrations granted on the same PAN is displayed on the common portal to both the applicant and the Proper Officer. Further, if required, information submitted by applicant in S. No. 21 of Form GST REG-01 regarding details of proprietor, all partner/Karta/ Managing Directors and whole time Director/Members of Managing Committee of Associations/ Board of Trustees etc. may be analysed vis-à-vis any cancelled registration having same details. It has been further advised that where the applicant fails to furnish sufficient convincing justification or the Proper Officer is not satisfied with the clarification, information or documents furnished, then, his application for fresh registration may be considered for rejection.

Issues/ Concerns:

- a. Cancellation of registration from an earlier date: If cancellation of registration is permitted from an anterior (earlier) date, it would lead to disruption of whole credit chain and difficulties will be faced by persons who have already availed credit.

Hon'ble Delhi High Court in the case of *Ashish Garg Proprietor Shri Radhey Traders Versus Assistant Commissioner of State Goods and Service Tax Delhi Zone 7 Ward 82, 2023 (76) G.S.T.L.157 (Del.)* held that registration cannot be cancelled retrospectively for failure to file return for continuous period of six months. Hon'ble High Court ruled that although in terms of section 29 of the CGST Act, 2017, the concerned authority has the discretion to cancel the registration from a retrospective date, however, the said power cannot be exercised arbitrarily on the fact that the petitioner had not filed the returns for a continuous period of six months. The ground on which cancellation was proposed in terms of the show cause notice dated 30.06.2021 – does not, in any manner, justify retrospective cancellation from the date that the registration petition was granted in favour of applicant.

- b. Commencement of business: In some cases, persons who have obtained voluntary registration may not be able to commence business within 6 months for want of clearance of registration norms, permissions and requirements etc. from other laws. Cancellation of such registration without having considered the facts of the case would be unfair.

Statutory Provisions**30. Revocation of cancellation of registration**

(1) *Subject to such conditions as may be prescribed, any registered*

person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in ⁷⁷[such manner, within such time and subject to such conditions and restrictions, as may be prescribed].

⁷⁸["]

- (2) The proper officer may, in the manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application:

Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.

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

Extract of the CGST Rules, 2017

23. Revocation of cancellation of registration

- (1) A registered person, whose registration is cancelled by the proper officer on his own motion,⁷⁹[subject to the provisions of rule 10B] may submit an application for revocation of cancellation of registration, in FORM GST REG-21, to such proper officer, ⁸⁰[within a period of ninety

⁷⁷ Substituted vide The Finance Act, 2023 w.e.f. 01.10.2023 through Notf No. 28/2023-CT dt. 31.07.2023 for the following: "the prescribed manner within thirty days from the date of service of the cancellation order"

⁷⁸ Omitted vide Finance Act, 2023 w.e.f. 01.10.2023 through Notf No. 28/2023-CT dt. 31.07.2023. Earlier it read as: "Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended: -

- (a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;
- (b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a).]

⁷⁹ Inserted vide Notf No. 35/2021 - CT dt. 24.09.2021. Brought into force on w.e.f. 01.01.2022 vide Notf No. 38/2021 - CT dt. 21.12.2021

⁸⁰ Substituted vide Notf No. 38/2023-CT dt. 04.08.2023 w.e.f. 01.10.2023 for the following: [within a period of thirty days from the date of the service of the order of cancellation of registration or within such time period as extended by the Additional Commissioner or the Joint Commissioner or the Commissioner, as the case may be, in exercise of the powers provided under the proviso to sub-section (1) of section 30].

days from the date of the service of the order of cancellation of registration], at the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

⁸¹[Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended by the Commissioner or an officer authorised by him in this behalf, not below the rank of Additional Commissioner or Joint Commissioner, as the case may be, for a further period not exceeding one hundred and eighty days.

Provided further that] no application for revocation shall be filed, if the registration has been cancelled for the failure of the registered person to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns.

⁸²⁸³[Provided also] that all returns due for the period from the date of the order of cancellation of registration till the date of the order of revocation of cancellation of registration shall be furnished by the said person within a period of thirty days from the date of order of revocation of cancellation of registration:

Provided also that where the registration has been cancelled with retrospective effect, the registered person shall furnish all returns relating to period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration within a period of thirty days from the date of order of revocation of cancellation of registration]

- (2) (a) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in FORM GST REG-22 within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant.
- (b) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in FORM

⁸¹ Substituted vide Notf No. 38/2023-CT dt. 04.08.2023 w.e.f. 01.10.2023.

⁸² Inserted vide Notf No. 20/2019-CT dt. 23.04.2019.

⁸³ Substituted for "Provided further" vide Notf No. 38/2023-CT dt. 04.08.2023 w.e.f. 01.10.2023.

<i>GST REG-05, reject the application for revocation of cancellation of registration and communicate the same to the applicant.</i>
(3) <i>The proper officer shall, before passing the order referred to in clause (b) of sub-rule (2), issue a notice in FORM GST REG-23 requiring the applicant to show cause as to why the application submitted for revocation under sub-rule (1) should not be rejected and the applicant shall furnish the reply within a period of seven working days from the date of the service of the notice in FORM GST REG-24.</i>
(4) <i>Upon receipt of the information or clarification in FORM GST REG-24, the proper officer shall proceed to dispose of the application in the manner specified in sub-rule (2) within a period of thirty days from the date of the receipt of such information or clarification from the applicant.</i>

Related provisions of the Statute:

Section or Rule	Description
Section 22	Persons liable for registration
Section 24	Compulsory registration in certain cases
Section 25	Procedure for registration
Section 29	Cancellation of registration

30.1 Analysis

Any registered taxable person, whose registration is cancelled, subject to prescribed conditions and circumstances, and subject to *the provisions of rule 10B*, may apply to Proper Officer for revocation of cancellation of the registration in such manner within 90 days from the date of service of the cancellation order or within such time period as extended by Additional Commissioner or Joint Commissioner or Commissioner as the case may be in exercise of the powers provided under the proviso to sub-section (1) of section 30 which cannot be more than one hundred and eighty days *in toto*. The Proper Officer may in prescribed manner and within prescribed period, by an order, either revoke cancellation of the registration, or reject the application for revocation for good and sufficient reasons.

The Proper Officer shall not reject the application for revocation of cancellation of registration without giving a show cause notice and without giving the person a reasonable opportunity of being heard.

Revocation of cancellation of registration under State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed

to be a revocation or cancellation of registration under the Central Goods and Services Tax Act.

Rule 23 of the CGST Rules, 2017, provides for process of revocation or cancellation of registration and includes the following:

- Application for revocation or cancellation of registration shall be made within 90 days of date of service of cancellation order or within such time period as extended by Additional Commissioner or Joint Commissioner or Commissioner as the case may be in exercise of the powers provided under the proviso to sub-section (1) of section 30 but not later than 180 days.
- No application for revocation shall be filed, if the registration has been cancelled for the failure to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns.
- Revocation or cancellation under CGST will be a deemed revocation or cancellation under SGST and *vice-versa*.

Government has issued a *Removal of Difficulty Order No. 05/2019-Central Tax dated 23.04.2019*, wherein persons whose registrations were cancelled under sub-section (2) of section 29 of the said Act after they were served notice in the manner provided in section clause (c) and clause (d) of sub-section (1) of section 169 of the said Act and who could not reply to the said notice and for whom cancellation order was passed up to 31.03.2019, were given one time opportunity to apply for revocation or cancellation of registration on or before the 22.07.2019. Further, vide *Notification No. 20/2019-Central Tax dated the 23.04.2019*, two provisos have been inserted in sub-rule (1) of rule 23 of the Central Goods and Services Tax Rules, 2017.

CBIC further issued clarification vide *Circular No. 99/18/2019 dated 23.04.2019* clarifying the procedure and time limit for revocation or cancellation of registration as per *Removal of Difficulty Order No. 05/2019-Central Tax dated 23.04.2019*.

The above sort of relaxations is provided by CBIC from time to time based on the recommendations of the Council.

Vide *Notification 34/2021 Central Tax dated 29.08.2021*, the Government notified that where a registration has been cancelled under clause (b) or (c) of sub-section (2) of section 29 and the time limit for making an application of revocation or cancellation of registration under sub-section (1) of section 30 of the said Act falls during the period from the 1st day of March, 2020 to 31st day of August, 2021, the time limit for making such

application shall be extended upto the 30th day of September, 2021. Various clarifications in implementing this notification has also been provided *vide Circular No. 158/4/2021-GST dated 06.09.2021*.

Special Procedure in case of failure to apply for revocation of cancellation of registration within the time limit prescribed under section 30 [Notification No. 03/2023 – Central Tax dated 31.03.2023]

The following are the special procedure for application for revocation of cancellation of registration under section 30:

- These procedures shall be applicable to registered persons whose registration has been cancelled due to contravention of provisions of section 29(2)(b) or 29(2)(c) (i.e., non-filing of return of income) on or before 31.12.2022 and such persons have failed to apply for revocation of cancellation of registration within the time limit specified u/s 30.

(Including a person whose appeal against the order of cancellation of registration or the order rejecting application for revocation of cancellation of registration under section 107 of the CGST Act has been rejected on the ground of failure to adhere to the time limits specified under section 30(1))

- The last of application for revocation shall be 30.06.2023 (No further extension of time limit in respect of the same shall be available in such cases)
- The returns pertaining to tax periods upto the effective date of cancellation of registration shall be furnished and any amount of tax due in terms of such returns, along with interest, penalty and late fee in respect of such return shall be paid.

Extract of the CGST Rules, 2017

Rule 24. Migration of persons registered under the existing law. -

- (1) (a) *Every person, other than a person deducting tax at source or an Input Service Distributor, registered under an existing law and having a Permanent Account Number issued under the provisions of the Income-tax Act, 1961 (Act 43 of 1961) shall enrol on the common portal by validating his e-mail address and mobile number, either directly or through a Facilitation Centre notified by the Commissioner.*
- (b) *Upon enrolment under clause (a), the said person shall be granted registration on a provisional basis and a certificate of registration in FORM GST REG-25, incorporating the Goods and Services Tax Identification Number there in, shall be made available to him on*

the common portal:

Provided that a taxable person who has been granted multiple registrations under the existing law on the basis of a single Permanent Account Number shall be granted only one provisional registration under the Act:

⁸⁴[****]

- (2) (a) *Every person who has been granted a provisional registration under sub-rule (1) shall submit an application electronically in FORM GST REG-26, duly signed or verified through electronic verification code, along with the information and documents specified in the said application, on the common portal either directly or through a Facilitation Centre notified by the Commissioner.*
- (b) *The information asked for in clause (a) shall be furnished within a period of three months or within such further period as may be extended by the Commissioner in this behalf.*
- (c) *If the information and the particulars furnished in the application are found, by the proper officer, to be correct and complete, a certificate of registration in FORM GST REG-06 shall be made available to the registered person electronically on the common portal.*
- (3) *Where the particulars or information specified in sub-rule (2) have either not been furnished or not found to be correct or complete, the proper officer shall, after serving a notice to show cause in FORM GST REG-27 and after affording the person concerned a reasonable opportunity of being heard, cancel the provisional registration granted under sub-rule (1) and issue an order in FORM GST REG-28 :*

Provided that the show cause notice issued in FORM GST REG-27 can be withdrawn by issuing an order in FORM GST REG-20, if it is found, after affording the person an opportunity of being heard, that no such cause exists for which the notice was issued.

⁸⁴ Omitted vide Notf. No.7/2017-CT dt.27.06.2017.

⁸⁵[(3A) Where a certificate of registration has not been made available to the applicant on the common portal within a period of fifteen days from the date of the furnishing of information and particulars referred to in clause (c) of sub-rule (2) and no notice has been issued under sub-rule (3) within the said period, the registration shall be deemed to have been granted and the said certificate of registration, duly signed or verified through electronic verification code, shall be made available to the registered person on the common portal.]

(4) Every person registered under any of the existing laws, who is not liable to be registered under the Act may, ⁸⁶[on or before ⁸⁷[31st March 2018]], at his option, submit an application electronically in FORM GST REG-29 at the common portal for the cancellation of registration granted to him and the proper officer shall, after conducting such enquiry as deemed fit, cancel the said registration.

⁸⁸[**Rule 25. Physical verification of business premises in certain cases. -**

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

(2) Where the physical verification of the place of business of a person is required before the grant of registration in the circumstances specified in the proviso to sub-rule (1) of rule 9, the proper officer shall get such

⁸⁵ Inserted vide Notf. No. 7/2017-CT dt. 27.06.2017.

⁸⁶ Substituted vide Notf. No. 17/2017 – dt. 27.7. 2017, w.e.f. 22.07.2017. for "within a period of thirty days from the appointed day".

⁸⁷ Substituted vide Notf. No. 03/2018-CT dt. 23.01.2018.

⁸⁸ Substituted vide Notf. No. 38/2023-CT dt. 04.08.2023 before it was read as,
 "25. [Physical verification of business premises in certain cases. Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication ²[or due to not opting for Aadhaar authentication] before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification]."

verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal at least five working days prior to the completion of the time period specified in the said proviso.]

Rule 26. Method of authentication. -

- (1) All applications, including reply, if any, to the notices, returns including the details of outward and inward supplies, appeals or any other document required to be submitted under the provisions of these rules shall be so submitted electronically with digital signature certificate or through e-signature as specified under the provisions of the Information Technology Act, 2000 (21 of 2000) or verified by any other mode of signature or verification as notified by the Board in this behalf:

~~⁸⁹[Provided that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall furnish the documents or application verified through digital signature certificate.~~

~~⁹⁰[Provided further that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall, during the period from the 21st day of April, 2020 to the 30th day of September, 2020, also be allowed to furnish the return under section 39 in **FORM GSTR-3B** verified through electronic verification code (EVC).]~~

~~**Provided** also that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall, during the period from the 27th day of May, 2020 to the 30th day of September, 2020, also be allowed to furnish the details of outward supplies under section 37 in **FORM GSTR-1** verified through electronic verification code (EVC).]~~

~~⁹¹[**Provided** also that a registered person registered under the provisions of the Companies Act, 2013 (18 of 2013) shall, during the period from the 27th day of April, 2021 to the ⁹²[31st day of October, 2021], also be allowed to furnish the return under section 39 in **FORM GSTR-3B** and the details of outward supplies under section 37 in **FORM GSTR-1** or using invoice furnishing facility, verified through electronic verification code (EVC).]~~

- (2) Each document including the return furnished online shall be signed or

⁸⁹ All the provisos omitted vide Notf. No. 32/2021-CT dt. 29.08.2021 w.e.f. 01.11.2021.

⁹⁰ Substituted vide Notf. No. 48/2020-CT dt. 19.06.2020 w.e.f. 27.05.2020.

⁹¹ Inserted vide Notf. No. 07/2021-CT dt. 27.04.2021.

⁹² Substituted vide Notf. No. 32/2021-CT dt. 29.08.2021.

verified through electronic verification code-

- (a) *in the case of an individual, by the individual himself or where he is absent from India, by some other person duly authorised by him in this behalf, and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;*
 - (b) *in the case of a Hindu Undivided Family, by a Karta and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family or by the authorised signatory of such Karta;*
 - (c) *in the case of a company, by the chief executive officer or authorised signatory thereof;*
 - (d) *in the case of a Government or any Governmental agency or local authority, by an officer authorised in this behalf;*
 - (e) *in the case of a firm, by any partner thereof, not being a minor or authorised signatory thereof;*
 - (f) *in the case of any other association, by any member of the association or persons or authorised signatory thereof;*
 - (g) *in the case of a trust, by the trustee or any trustee or authorised signatory thereof; or*
 - (h) *in the case of any other person, by some person competent to act on his behalf, or by a person authorised in accordance with the provisions of section 48.*
- (3) *All notices, certificates and orders under the provisions of this Chapter shall be issued electronically by the proper officer or any other officer authorised to issue such notices or certificates or orders, through digital signature certificate ⁹³[or through E-signature as specified under the provisions of the Information Technology Act, 2000 (21 of 2000) or verified by any other mode of signature or verification as notified by the Board in this behalf.*

Rule 26 of the CGST Rules, 2017 provides for the following method of authentication:

1. All applications, including reply, if any, to the notices, returns including the details of outward and inward supplies, appeals or any other document required to be submitted under the provisions of these rules

⁹³ *Substituted vide Notf. No. 7/2017-CT dt. 27.06.2017 w.e.f. 22.06.2017.*

shall be so submitted electronically with digital signature certificate or through e-signature as specified under the provisions of the Information Technology Act, 2000 or verified by any other mode of signature or verification as notified by the Board in this behalf.

Provided that a registered person registered under the provisions of the Companies Act, 2013 shall furnish the documents or application verified through digital signature certificate.

⁹⁴[Provided further that a registered person registered under the provisions of the Companies Act, 2013 shall, during the period from the 21st day of April, 2020 to the 30th day of September, 2020, also be allowed to furnish the return under section 39 in FORM GSTR-3B verified through electronic verification code (EVC).

Provided also that a registered person registered under the provisions of the Companies Act, 2013 shall, during the period from the 27th day of May, 2020 to the 30th day of September, 2020, also be allowed to furnish the details of outward supplies under section 37 in FORM GSTR-1 verified through electronic verification code (EVC)]

⁹⁵[Provided also that a registered person registered under the provisions of the Companies Act, 2013 shall, during the period from the 27th day of April, 2021 to the ⁹⁶[31st day of October, 2021] also be allowed to furnish the return under section 39 in FORM GSTR-3B and the details of outward supplies under section 37 in FORM GSTR-1 or using invoice furnishing facility, verified through electronic verification code (EVC).]

It is to be noted that as per Notification No. 32/2021-Central Tax dated 29.08.2021, w.e.f. 01.11.2021, all the provisos in rule 26 have been omitted.

Effect of such omission would be that w.e.f. 01.10.2021, the procedure of Electronic Filing of all applications and documents shall be made with Digital Signature Certificate or e-signature as specified under

⁹⁴Substituted vide Notf No. 48/2020-CT dt. 19.06.2020 w.e.f. 27.05.2020.

⁹⁵Inserted vide Notf No. 07/2021-CT dt. 27.04.2021.

⁹⁶Inserted vide Notf No. 27/2021-CT dt. 01.06.2021.

Information Technology Act, 2000 instead of Electronic Verification Code (EVC).

2. Each document including the return furnished online shall be signed or verified through electronic verification code-
 - (a) in the case of an individual, by the individual himself or where he is absent from India, by some other person duly authorized by him in this behalf, and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;
 - (b) in the case of a HUF, by a Karta and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family or by the authorized signatory of such Karta;
 - (c) in the case of a Company, by the chief executive officer or authorized signatory thereof;
 - (d) in the case of a Government or any Governmental agency or local authority, by an officer authorized in this behalf;
 - (e) in the case of a firm, by any partner thereof, not being a minor or authorized signatory thereof;
 - (f) in the case of any other association, by any member of the association or persons or authorized signatory thereof;
 - (g) in the case of a trust, by the trustee or any trustee or authorized signatory thereof; or
 - (h) in the case of any other person, by some person competent to act on his behalf, or by a person authorized in accordance with the provisions of section 48.

It is also provided that all notices, certificates and orders under the provisions of this Chapter shall be issued electronically by the Proper Officer or any other officer authorised to issue such notices or certificates or orders, through digital signature certificate or through E-signature as specified under the provisions of the Information Technology Act, 2000 or verified by any other mode of signature or verification as notified by the Board in this behalf.

30.3 FAQs

Q1. Who is the person liable to take a registration under the GST Law?

Ans. In terms of sub-sections (1) of sections 22 of the CGST Act, every supplier making taxable supplies is liable for registration if his aggregate

turnover in a financial year exceeds `20 lakhs. However, relaxation is available for persons involved in exclusive supply of goods.

Q2. What is the time limit for taking a registration under GST Law?

Ans. Every person should take registration, within 30 days from the date on which he becomes liable for registration, in such manner and subject to such conditions as may be prescribed. Provided casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.

Q3. If a person is operating in different States, with the same PAN, whether he can operate with a single registration?

Ans. 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 is liable to pay GST in terms of sub-section (1) of section 25 of the CGST Act.

Q4. Whether a person having multiple places of place of business in a State can obtain different registrations?

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

Q5. Is there a provision for a person to get himself registered voluntarily though he may not be liable to pay GST?

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

Q6. Is possession of a Permanent Account Number (PAN) mandatory for obtaining a registration?

Ans. Every person shall have a Permanent Account Number issued under the Income Tax Act, 1961 (43 of 1961) in order to be eligible for grant of registration under section 22 of the CGST Act.

Q7. Whether the Department through the Proper Officer, suo-moto proceeds with registration of a person under this Act?

Ans. In terms of sub-section 8 of sections 25, where a person who is liable to be registered under this Act fails to obtain registration, the Proper Officer

may, without prejudice to any action that is, or may be taken under this Act, or under any other law for the time being in force, proceed to register such person in the manner as may be prescribed.

Q8. When can the Proper Officer grant a certificate of registration?

Ans. In terms of sub-section 10 of section 25, the registration certificate, shall be granted or rejected after due verification in the manner and within such period as may be prescribed.

Q9. Whether the registration granted to any person is permanent?

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

Q10. What is the validity period of the registration certificate issued to casual taxable person and non-resident taxable person?

Ans. The certificate of registration issued to a “casual taxable person” or a “non-resident taxable person” shall be valid for a period of 90 days from the effective date of registration. A discretionary power has been made available with the Proper Officer, who may at the request of the said taxable person, extend the validity of the aforesaid period of 90 days by a further period not exceeding 90 days.

Q.11. Is there any advance tax to be paid by casual taxable person and non-resident taxable person at the time of obtaining registration under this special category?

Ans. Yes, it has been made mandatory in the Act, that a casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (2) of section 27, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought. This provision of depositing advance additional amount of tax equivalent to the estimated tax liability of such person is applicable for the period for which the extension beyond 90 days is being sought.

Q12. Whether an amendment to the Registration Certificates issued by the Proper Officer is permissible?

Ans. In terms of sections 28, the Proper Officer may, on the basis of such information furnished either by the registrant or as ascertained by him, approve or reject amendments in the registration particulars in the manner and within such period as may be prescribed.

Q13. Whether cancellation of registration certificate is permissible?

Ans. Any registration granted under this Act may be cancelled by the Proper Officer, on various circumstances and the provisions of the law on this subject have been outlined under sections 29 of the Act. The Proper Officer may, either on his own motion or on an application filed, in the prescribed manner, by the registered taxable 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.

Q14. Whether cancellation of registration under CGST Act means cancellation under SGST Act also?

Ans. The cancellation of registration under the CGST Act /SGST Act shall be deemed to be a cancellation of registration under the SGST Act / CGST Act respectively.

Q.15. Can the Proper Officer cancel the registration on his own?

Ans. Yes, the Proper Officer can cancel the registration once issued on his own volition. However, such officer must follow the principles of natural justice by issuing a notice and providing an opportunity of being heard.

Q.16. Is registration mandatory for a person making inter-State supplies?

Ans. Registration is mandatory only for persons making inter-State supply of goods irrespective of the fact that the aggregate turnover computed on all India basis does not exceed ` 20 lakhs. Persons making inter-State supply of services whose aggregate turnover on all India basis does not exceed ` 20 lakhs are exempted from registration *vide Notification No. 10/ 2017-Integrated Tax dated 13.10.2017* as amended *vide Notification No. 3/2019-Integrated Tax dated 29.01.2019, w.e.f. 01.02.2019*. [Refer detailed discussions made for this issue under section 24 above].

Q.17 Is it mandatory to mention all HSN/SAC Codes, proposed to be supplied, in registration application? Can we supply goods or services other than those mentioned in registration certificate?

Ans. As per FAQ on Registration, a minimum of just one goods or service (one HSN or SAC code) is required to be mentioned in registration application. Further, there is no limit to the number of goods one can supply or the number of services one can provide under a single registration. Since it will be mandatory to enter HSN/SAC details in the line items in invoices under the GST regime, the HSN/SAC information will be readily available to the relevant stakeholders.