

REGISTRATION PROCESS IN GOODS AND SERVICES TAX: A STUDY

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ABSTRACT

According to GST rules, it is mandatory for a business that has a turnover of above Rs. 40 lakh to register as a normal taxable entity. This is referred to as the GST registration process. The turnover is Rs.10 lakh for businesses that are present in hill states and North Eastern states. The GST registration process can be completed within 6 working days. GST registration can be easily done on the online GST portal. Business owners can fill a form on the GST portal and submit the necessary documents for registration. Businesses must complete the GST registration process. It is criminal offense to carry out operations without registering for GST and heavy penalties are levied for non registration. The research paper highlights on the concept of registration, persons liable for registration, types of registration, advantages of registration in GST, State-wise growth of GST revenues during august 2021. The research is an exploratory research and the data collection is done mainly from the secondary data. The study found that, GST will widen the tax base, improve tax compliance and will remove unhealthy competition among states.

Key Words: Goods and Service Tax Registration, Documents.

Date of Submission: 13-09-2021

Date of Acceptance: 29-09-2021

I. INTRODUCTION

❖ Registration means enrolling the name of the business firm with tax authorities. Registration is the basic requirement to enter into compliance of any law. Registration of a business implies obtaining a unique identification code or number from the concerned tax authorities, so that all the operations and the data relating to the business can be collected and corrected. Registration under GST is the most important requirement for identification of tax payers in any tax system to ensure tax compliance.

❖ The process by which a taxpayer gets registered under Goods and Services Tax (GST) is GST registration. Once the GST registration process has been completed the Goods and Services Tax identification number (GSTIN) is provided. The 15 digit GSTIN is provided by the central government and helps to determine whether a business is liable to pay GST.

II. OBJECTIVES OF THE STUDY

1. To study the concept of Registration.
2. To study the persons liable for Registration.
3. To study the types of Registration.
4. To study the advantages of Registration in GST.
5. To study the GST Registration process.

III. RESEARCH METHODOLOGY

The research paper is an exploratory research technique and the data collection is done mainly from the secondary data. The required data has been extracted from past literature, research articles, newspapers, published sources like reports, magazines, journals and the authenticated websites.

IV. REVIEW OF LITERATURE

✚ CA Jugal Narendra Gala (2020) the article entitled "Registration under GST Law" Goods and Services Tax (GST) is the Indirect Tax levied in India introduced in July 2017 which was one of the most important reforms in the Indian Economy. GST subsumed various indirect laws in the country and the led to the formation of a common national market. In this article, the researcher examines and understands the various registrations under the GST Law.

✦ **Mr. N. Abhishek, Prof. Subbappa Kaikamba and M. S. Divyashree (2019)** the article entitled “An Analysis of Future Road Map of Goods and Services Tax in Indian Scenario”. The present study is in conceptual in nature carried to analyze the future roadmap of goods and services tax in Indian scenario. For the purpose of study data collected through secondary sources and concludes that GST will give more fruitful benefits to the development of the country than the presently experiencing benefits and makes the country into the favorable place for both national and international business people.

✦ **Dr. N. L. Balasudarsun and Melvin Paul Antony (2018)** the article entitled “Impact of Demonetization and GST in Life Insurance Sector”. This paper deals with impact of Demonetization and GST on life insurance sector. For this purpose 130 was collected from life insurance employees of Cochin region based on random sampling method. Descriptive statistics and ANOVA test were used to analyze the data. The study found that, Demonetization and GST have life insurance sector.

✦ **CA Paras Mehra (2017)** the article entitled “GST Registration in India”. This paper explains the complete procedure regarding the GST registration in India. It also explains the complete registration rules as per GST act. This paper also covers practical aspects to the GST registration in India and brief Registration rules.

V. PERSONS LIABLE FOR REGISTRATION

- ❖ Individuals who have registered under the tax services before the GST law came into effect.
- ❖ Non-Resident Taxable Person and Casual Taxable Person
- ❖ Individuals who pay tax under the reverse charge mechanism
- ❖ All e-commerce aggregators
- ❖ Businesses that have a turnover that exceeds Rs.40 lakh. In the case of Uttarakhand, Himachal Pradesh, Jammu & Kashmir, and North-Eastern states, the turnover of the business should exceed Rs.10 lakh.
- ❖ Input service distributors and agents of a supplier
- ❖ Individuals who supply goods through an e-commerce aggregator.
- ❖ Individuals providing database access and online information from outside India to people who live in India other than those who are registered taxable persons.

VI. TYPES OF REGISTRATION



I. Compulsory Registration:

❖ Section 22 of the CGST Act requires a supplier to obtain registration in the state from where the person makes a taxable supply of goods and/or services if his aggregate turnovers in a financial year exceeds 20lakh Rupees (10lakh if business is in North East India i.e. Assam, Arunachal Pradesh, Jammu and Kashmir, Himachal Pradesh, Uttarkhand, Manipur, Mizoram, Sikkim, Meghalaya, Nagaland or Tripura).

❖ Following suppliers are required to get compulsory registration irrespective of their turnover:

- ★ Persons making inter-state supply.
- ★ A person receiving supplies on which tax is payable by recipient on reverse.
- ★ Casual taxable persons who do not have a fixed place of business.
- ★ Nonresident taxable persons who do not have a fixed place of business.
- ★ An agent who supplies on behalf of principal, a taxable person.
- ★ A person paying tax under the reverse charge mechanism.
- ★ Input service distributor.
- ★ Suppliers who supply through an e-commerce operator.
- ★ Persons who are required to deduct tax and collect tax at source.
- ★ The suppliers who provide online information and data base access or retrieval services from outside India to a non registered person in India.

II. Voluntary Registration:

❖ A person may opt may opt to get himself registered voluntarily under GST even if he is not liable to be registered.

❖ A person doing small business having all India aggregate turnovers below 20lakh can voluntarily opt to get registration.

❖ Once a person obtains voluntary registration, he has to pay tax even though his aggregate turnover does not exceed 20lakh.

III. Casual Registration:

❖ A person who has a registered business in one state in India, but wants to supply from some other state in which he is not having any fixed place of business. Such a person will be treated as a casual taxable person. They need to get casual registration in the state from where he wants to supply goods or services.

IV. Composite Registration:

❖ The main objective of composition schemes is to bring simplicity and to reduce the compliance cost for the small taxpayers.

❖ Small taxpayers’ means having an aggregate turnover in the preceding financial year up to 1.5crores shall be eligible for composition levy.

❖ The small businesses and taxpayers can opt for Composition Scheme where they will tax at a nominal rate say 1% or 5%.

❖ They are not required to maintain much detailed records.

❖ They cannot claim any input tax credit and also they cannot collect tax from customers, but they are required to pay the tax on turnover at nominal rate.

VII. BENEFITS OF GST REGISTRATION

➤ **Recognition:** Businesses that have registered themselves with the requirements of GST would be recognized in the eyes of the law. Public and consumers will recognize businesses that have registered as per the requirements of the government.

➤ **Appropriate Accounting:** Appropriate accounting cycles can be followed up by registering with GST authorities.

➤ **Benefits and Government Incentives:** There are different forms of benefits and government incentives offered for businesses that perform GST registration.

➤ **Lower Tax Rates:** If a taxpayer is having a turnover of less than Rs 1.5 crore per annum, then the taxpayer can choose for composition tax scheme. Under the composition tax scheme, there is an incentive to pay a lesser amount of tax.

➤ **Relief from Double Taxation:** Any business that is registered with GST as per the government requirements would get reliefs and exemptions from double taxation.

➤ **E-Way Bill:** By utilizing this form of registration, a new system of logistics can be utilized through the E-Way Bill system.

➤ **Protection from Penalty:** If your business satisfies the eligibility criteria for GST Registration then you must get registered under GST otherwise penalty and or fines may be levied.

➤ There will be proper accounting of taxes paid for inward supplies which can be utilized for payment of GST for outward supplies.

➤ A registered person is legally authorized to collect tax from his purchasers and pass on the credit of the taxes to purchasers.

➤ A registered person will be eligible to avail various other benefits and privileges rendered under the GST laws.

➤ A person without GST registration can neither collect GST from his customers nor can claim any input tax credit of GST paid by him.

VIII. DOCUMENTS REQUIRED FOR GST REGISTRATION

Table 1: Documents Required for GST Registration

SL. NO.	CATEGORY OF PERSONS	DOCUMENTS REQUIRED FOR GST REGISTRATION
1	Sole Proprietor /Individual	<ul style="list-style-type: none"> ❖ PAN card of the owner ❖ Aadhar card of the owner ❖ Passport size photo of Sole Proprietor (in JPEG format, maximum size – 100 KB) ❖ Bank account details ❖ Registered Office Address proof
2	Partnership Firm	<ul style="list-style-type: none"> ❖ PAN card of all partners (including managing partner and authorized signatory)

		<ul style="list-style-type: none"> ❖ PAN card of Firm ❖ Copy of partnership deed ❖ Passport size photo of all partners and authorized signatories (in JPEG format, maximum size - 100 KB) ❖ Address proof of partners (Passport, driving license, Voter identity card, Aadhar card, etc.) ❖ Aadhar card of authorized signatory ❖ Proof of appointment of authorized signatory ❖ Bank account details ❖ Registered Office Address proof
3	Limited Liability Partnership (LLP)	<ul style="list-style-type: none"> ❖ PAN card of all designated partners (including managing partner and authorized signatory) ❖ PAN card of LLP ❖ Copy of Registration Certificate of the LLP ❖ Copy of Board Resolution ❖ Copy of LLP agreement ❖ Proof of appointment of authorized signatory (Digital Signature Certificate of any one of the designated partner) ❖ Passport size photo of designated partners and authorized signatories (in JPEG format, maximum size – 100 KB) ❖ Address proof of designated partners (Passport, driving license, Voter identity card, Aadhar card, etc.) ❖ Aadhar card of the designated partner ❖ Bank account details ❖ Registered Office Address proof
4	Hindu Undivided family (HUF)	<ul style="list-style-type: none"> ❖ PAN card of HUF ❖ PAN card and Aadhar card of Karta ❖ Passport size photo of Owner/Karta (in JPEG format, maximum size - 100 KB) ❖ Proof of Appointment of Authorized signatory- Photo and Letter of Authorization ❖ Bank account details ❖ Registered Office Address proof
5	Society or Trust or Club	<ul style="list-style-type: none"> ❖ Pan Card of society/Trust/Club ❖ Registration Certificate of society or club ❖ Passport size Photograph and PAN Card of Promoter/ Partners ❖ PAN card and Aadhaar card of the authorized signatory, Promoters/Partners. ❖ Board Resolution or any other proof of appointing authorized signatory ❖ Registered Office Address proof: -Self-owned property - Copy of electricity bill, landline bill, water bill, municipal khata copy, property tax receipt -Rented property - Rent agreement and No objection certificate (NOC) from the owner of the rented property. ❖ Bank account details ❖ Registered Office Address proof
6	Company (Public, Private and One person) (Indian and Foreign)	<ul style="list-style-type: none"> ❖ PAN Card of Company ❖ Certificate of incorporation given by Ministry of Corporate Affairs (MCA) ❖ Memorandum of Association / Articles of Association ❖ PAN card and Aadhar card of the authorized signatory. The authorized signatory must be an Indian even in case of foreign companies/branch registration ❖ PAN card and address proof of all directors of the Company ❖ Photograph of all directors and authorized signatory (in JPEG format, maximum size – 100 KB) ❖ Board resolution appointing authorized signatory / Any other proof of appointment of authorized signatory (in JPEG format / PDF format, maximum size – 100 KB) ❖ Bank account details ❖ Registered Office Address proof

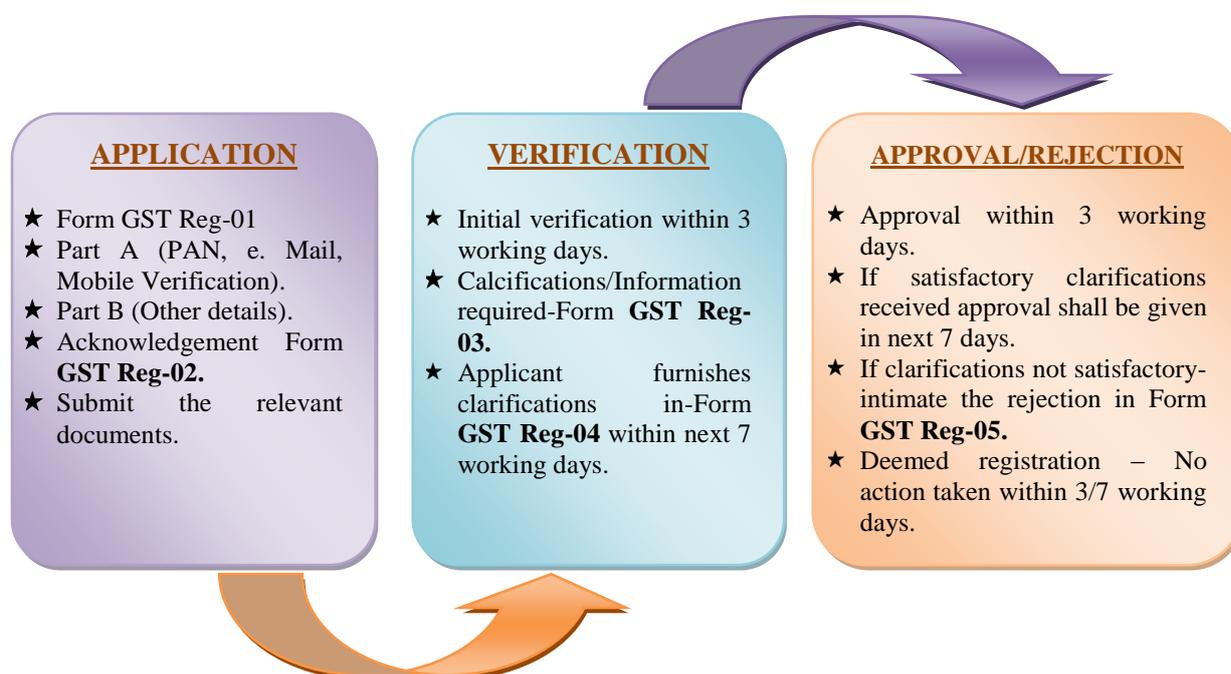
IX. STATE-WISE GROWTH OF GST REVENUES DURING AUGUST 2021

Table 2: State-Wise Growth of GST Revenues during August 2021

SL. NO.	STATE	AUGUST-2020	AUGUST-2021	% GROWTH
1	Jammu and Kashmir	326	392	20%
2	Himachal Pradesh	597	704	18%
3	Punjab	1,139	1,414	24%
4	Chandigarh	139	144	4%

5	Uttarakhand	1,006	1,089	8%
6	Haryana	4,373	5,618	28%
7	Delhi	2,880	3,605	25%
8	Rajasthan	2,582	3,049	18%
9	Uttar Pradesh	5,098	5,946	17%
10	Bihar	967	1,037	7%
11	Sikkim	147	219	49%
12	Arunachal Pradesh	35	53	52%
13	Nagaland	31	32	2%
14	Manipur	26	45	71%
15	Mizoram	12	16	31%
16	Tripura	43	56	30%
17	Meghalaya	108	119	10%
18	Assam	709	959	35%
19	West Bengal	3,053	3,678	20%
20	Jharkhand	1,498	2,166	45%
21	Odisha	2,348	3,317	41%
22	Chhattisgarh	1,994	2,391	20%
23	Madhya Pradesh	2,209	2,438	10%
24	Gujarat	6,030	7,556	25%
25	Daman and Diu	70	1	-99%
26	Dadra and Nagar Haveli	145	254	74%
27	Maharashtra	11,602	15,175	31%
28	Karnataka	5,502	7,429	35%
29	Goa	213	285	34%
30	Lakshadweep	0	1	220%
31	Kerala	1,229	1,612	31%
32	Tamil Nadu	5,243	7,060	35%
33	Puducherry	137	156	14%
34	Andaman and Nicobar Islands	13	20	58%
35	Telangana	2,793	3,526	26%
36	Andhra Pradesh	1,955	2,591	33%
37	Ladakh	5	14	213%
38	Other Territory	180	109	-40%
39	Center Jurisdiction	161	214	33%
	Grand Total	66,598	84,490	27%

X. GST REGISTRATION PROCESS



XI. FINDINGS OF THE STUDY

1. GST Registration process is an online based and must be carried out on the government website gst.gov.in.
2. Every dealer whose annual turnover exceeds Rs.20 lakh (Rs.40 lakh or Rs.10 lakh, as may vary depending upon state and kind of supplies) has to register for GST.
3. Persons applying for Registration in Form GST REG-01 as SEZ unit and SEZ developer would now be required to provide the validity period, as per Letter of Approval (LOA)/Letter of Permission (LOP).
4. Functionality has been provided to registrants to upload the copy of Notification issued by MEA /State while applying for Registration on GST Portal in Form GST REG-13.
5. Aadhaar Authentication for one Promoter and Primary authorized signatory has been implemented on the portal for existing taxpayers.

XII. SUGGESTIONS

1. For Taxpayers applying for new registration and opting for Aadhaar Authentication, the authentication would now be required to be done only for one Primary Authorized Signatory and one Promoter/Partner, instead of all.
2. A person registered as a GST Practitioner can now file an application for cancellation of their Registration, in Form GST PCT-06.
3. While applying for a new Registration application, the taxpayers will now be shown some additional details related to the same PAN, in a table.
4. Immediately after initiation of GSTIN cancellation, the status of GSTIN for which cancellation is initiated will be shown as "Suspended" on the GST Portal.
5. Taxpayers can select the jurisdiction of CBIC and states/UTs on the basis of PIN code.

XIII. CONCLUSION

In any tax system registration is the most fundamental requirement for identification of tax payers ensuring tax compliance in the economy. Registration of any business entity under the GST Law implies obtaining a unique number from the concerned tax authorities for the purpose of collecting tax on behalf of the government and to avail Input tax credit for the taxes on his inward supplies. Without registration, a person can neither collect tax from his customers nor claim any input tax credit of tax paid by him. In the GST Regime, a business whose turnover exceeds Rs. 40 lakhs is required to register as a normal taxable person. This process of registration is called GST registration. For certain businesses, registration under GST is mandatory. If the organization carries on business without registering under GST, it will be an offence under GST and heavy penalties will apply. GST registration usually takes between 2-6 working days. We'll help you to register for GST in 3 easy steps.

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Dr. (Smt.) Rajeshwari M. Shettar. "Registration Process in Goods and Services Tax: A Study." *IOSR Journal of Business and Management (IOSR-JBM)*,)239(, 2021, pp. 16-21.