

Registration under GST

All Last Day Questions – Sept 25 / Dec 25 / Jan 26

Super Revision Series -

<https://www.youtube.com/playlist?list=PLpJVh7Fa6YKb0ZYpfyLallggsTTzJN5Am>

Question 1

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

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

Answer

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

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

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



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

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

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

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

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



Question 2

Rajesh Dynamics, having its head office in Chennai, carries on the following activities with respective turnovers in a financial year

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

Decide based on the above facts: The aggregate turnover of Rajesh Dynamics.

Answer

Computation of aggregate turnover of Rajesh Dynamics

Particulars	Rs
<i>Supply of petrol at Chennai [Being a non-taxable supply, it is an exempt supply & thus, includible in aggregate turnover vide section 2(6) of CGST Act, 2017]</i>	<i>18,00,000</i>
<i>Value of inward supplies on which tax is payable on reverse charge basis</i>	<i>Nil</i>
<i>Supply of transformer oil at Chennai</i>	<i>2,00,000</i>
<i>Value of branch transfer from Chennai to Bengaluru without payment of consideration [Being a taxable supply, it is includible in aggregate turnover]</i>	
<i>Value of taxable supplies of Manipur Branch</i>	<i>11,50,000</i>
Aggregate turnover	33,00,000



Question 3

BBD Pvt. Ltd. of Gujarat exclusively manufactures and sells product 'Z' which is exempt from GST vide notifications issued under relevant GST legislations. The company sells 'Z' only within Gujarat and is not registered under GST laws. The turnover of the company in the previous year 2023-24 was Rs. 50 lakh. The company expects the sales to grow by 10% in the current year 2024- 25.

However, effective 01.01.2025, exemption available on 'Z' was withdrawn by the Central Government and GST@ 5% was imposed thereon. The turnover of the company for the nine months ended on 31.12.2024 was Rs. 42 lakh.

BBD Pvt. Ltd. is of the opinion that it is not required to get registered under GST for current financial year 2024-25.

Examine the above scenario and advise BBD Pvt. Ltd. whether it needs to get registered under GST or not.

Answer

For a supplier exclusively engaged in intra-State supply of goods, the threshold limit of turnover to obtain registration in the State of Gujarat is Rs. 40 lakh. However, a person exclusively engaged in the business of supplying goods and/or services that are not liable to tax or are wholly exempt from tax is not liable to registration.

Therefore, since BBD Pvt. Ltd. was engaged exclusively in supplying exempted goods till 31.12.2024, it was not required to be registered till that day; though voluntary registration was allowed.

The position, however, will change from 01.01.2025 as the supply of goods become taxable from that day and the turnover of BBD Pvt. Ltd. is more than Rs. 40 lakh. Since the aggregate turnover limit of Rs. 40 lakh includes exempt turnover also, turnover of 'Z' till 31.12.2024 will be considered for determining the threshold limit even though the same was exempt from GST. Therefore, BBD Pvt. Ltd. needs to register within 30 days from 01.01.2025.



Question 4

Examine the following cases and explain with reasons whether the supplier of goods is liable to get registered in GST:

- a. Karishma of Himachal Pradesh is exclusively engaged in intra-State taxable supply of readymade suits. His turnover in the current financial year from Himachal Pradesh show room is Rs. 25 lakh. He has two more showrooms one in Manipur & another in Sikkim with a turnover of Rs. 15 lakh and Rs. 18 lakh respectively in the current financial year.*
- b. Ankit of Telangana is exclusively engaged in intra-State taxable supply of foot wears. His aggregate turnover in the current financial year is Rs. 25 lakh:*
- c. Aakash of Uttar Pradesh is exclusively engaged in intra-State supply of pan masala. His aggregate turnover in the current financial year is Rs. 30 lakh.*

Answer



Every person engaged in making a taxable supply is required to obtain registration if his aggregate turnover exceeds Rs. 20 lakh in a financial year. An enhanced threshold limit for registration of Rs. 40 lakh is available to persons engaged exclusively in intra-State supply of goods in specified States.

- (i) The applicable threshold limit for registration gets reduced to Rs. 10 lakh in case a person is engaged in making taxable supply from a Special Category State.

Since Karishma is making taxable supply from Manipur — a Special Category State, the applicable threshold limit will get reduced to Rs. 10 lakh. Thus, it is liable to be registered under GST as its aggregate turnover exceeds the said threshold limit.

- (ii) Since Ankit is exclusively engaged in intra-State supply of goods in Telangana, which is not a specified State for enhanced threshold limit, the applicable threshold limit for registration is Rs. 20 lakh.

Thus, Ankit is liable to be registered under GST as its aggregate turnover exceeds the said threshold limit.

- (iii) Though the enhanced threshold limit for registration of Rs. 40 lakh is available to Uttar Pradesh, the same will not be applicable if the person is engaged in supply of pan masala.

In view of the same, the applicable threshold limit for Aakash is Rs. 20 lakh. Thus, it is liable to be registered under GST as its aggregate turnover exceeds the said threshold limit.



Question 5

M/s Siya Ram is a trader of decorative items in Hauz Khas, Delhi. His aggregate turnover exceeded ₹ 40 lakh in the month of October, 20XX. He applied for registration on GST portal, but missed to submit the details of his bank account. His tax consultant advised him that prior submission of bank details is mandatory to obtain registration. Examine whether the advice of Mr. Siya Ram's tax consultant is correct.

Answer

The advice of Mr. Siya Ram's consultant that prior submission of bank details is mandatory to obtain registration is not valid in law. Rule 10A of CGST Rules, 2017 allows the registered person to furnish information with respect to details of bank account, or any other information, as may be required on the common portal in order to comply with any other provision, soon after obtaining certificate of registration and a GSTIN, but not later than: –

30 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.

This relaxation is however not available for those who have been granted registration as TDS deductor / TCS collector under rule 12 or who have obtained suo-moto registration under rule 16



Question 6

- 1) *Mr. X of Haryana intends to start business of supply of building material to various construction sites in Haryana. He has taken voluntary registration under GST in the month of April. However, he has not commenced the business till December due to lack of working capital. The proper officer suo-motu cancelled the registration of Mr. X. You are required to examine whether the action taken by proper officer is valid in law?*
- 2) *Mr. X has applied for revocation of cancellation of registration after 100 service of the order of cancellation of registration. Department contends that application for revocation of cancellation of registration can only be made within 30 days from the date of service of the order of cancellation of registration. However, Mr. X contends that the period of submission of application may be extended on sufficient grounds being shown. You are required to comment upon the validity of contentions raised by Department and Mr. X.*

Answer

As per section 29 of the CGST Act, 2017, the proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,-

- (a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
- (b) a person paying tax under composition scheme has not furnished return for three consecutive tax periods; or
- (c) any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months; or
- (d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or
- (e) registration has been obtained by means of fraud, wilful misstatement, or suppression of facts:



Thus, in view of the above-mentioned provisions, suo-motu cancellation of registration of Mr. X by proper officer is valid in law since Mr. X, a voluntarily registered person, has not commenced his business within 6 months from the date of registration.

Further, where the registration of a person cancelled suo-motu by the proper officer, such registered person may apply for revocation of the cancellation to such proper officer, within 90 days from the date of service of the order of cancellation of registration.

However, the said period of 90 days may, on sufficient cause being shown and for reasons to be recorded in writing, be extended for a period not exceeding 180 days by Commissioner.

Thus, considering the above provisions, the contention of Department is not valid in law as extension can be sought in the prescribed time limit for revocation of cancellation of registration.

The contention raised by Mr. X is valid in law as extension in time limit is allowed on sufficient cause being shown and for reasons to be recorded in writing.



Question 7

Rishabh Enterprises starts exploring the option to sell the goods supplied by him within Uttarakhand on a popular electronic commerce platform-E-vastustore by listing the goods on the said platform. He approaches you for advice on following issues in this regard:

- a) Rishabh Enterprises wishes to continue his business without registering under GST since it will enhance the compliance burden under GST law. Can he supply the goods through E-vastustore without obtaining GST registration? You are required to advise him.*
- b) Discuss the GST implications in case Rishabh Enterprises supplies goods through electronic commerce platform-E-vastustore.*

Answer

a)

- **Yes**, Rishabh Enterprises **can supply goods** through E-vastustore without obtaining GST registration.
- As per **section 24(ix)**, persons who supply goods and/or services, other than services notified under section 9(5), through such ECO who is required to collect TCS under section 52 is required to obtain registration mandatorily.
- However, the persons making **supplies of goods** through an ECO who is required to collect TCS and having an aggregate turnover in the preceding financial year and in the current financial year not exceeding the threshold limit as per section 22(1), are **exempted from obtaining registration**, subject to the following conditions, namely:
 - a) such persons shall not make any inter-State supply of goods.
 - b) such persons shall not make supply of goods through ECO in more than one State/UT.
 - c) such persons shall be required to have a PAN issued under the Income-tax Act, 1961.



- d) such persons shall, before making any supply of goods through ECO, declare on the common portal:
- their PAN
 - address of their place of business &
 - State/UT in which such persons seek to make such supply, which shall be subjected to validation on the common portal.
- e) such persons have been granted an enrollment number on the common portal on successful validation of the PAN declared above.
- f) such persons shall not be granted more than one enrollment number in a State/UT. g) no supply of goods shall be made by such persons through ECO unless such persons have been granted an enrollment number on the common portal &
- h) where such persons are subsequently granted registration under section 25, the enrollment number shall cease to be valid from the effective date of registration.
- b)
- As Rishabh Enterprises is not required to obtain registration under GST, there shall be no GST implications on the supplies made by him through ECO – E-vastustore.
 - However, the ECO is required to **submit the details of supplies** made through it by the unregistered suppliers (including Rishabh Enterprises) having enrollment number in **Form GSTR 8**.
 - Further, no tax at source shall be collected by the E-vastustore for such supplies.

Question 8

“Aadhaar authentication is not required for persons who are already registered under GST.” Examine and discuss the correctness of the statement. You are required to elaborate the relevant legal provisions.

(RTP)



Answer

The given statement is incorrect. Aadhaar authentication has been made mandatory for the new registrants as well as for the existing registrants. With regard to existing registrants, section 25(6A) of the CGST Act, 2017 stipulates that every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in the prescribed form, manner and time. New rule 10 of the CGST Rules, 2017 prescribes the manner in which aadhaar authentication needs to be done by a registered person. A registered person, who has been issued a certificate of registration under GST, shall undergo authentication of the Aadhaar number of:-

Proprietor, in the case of proprietorship firm,

Any partner, in the case of a partnership firm,

Karta, in the case of a Hindu undivided family,

Managing director or any whole-time director, in the case of a company,

Any of the Members of the Managing Committee of an Association of persons or body of individuals or a Society, or

Trustee in the Board of Trustees, in the case of a Trust; and of the Authorized Signatory, in order to be eligible for the following purposes:

- ✓ for filing of application for revocation of cancellation of registration [Rule 23]
- ✓ for filing of refund application in Form RFD-01 [Rule 89]
- ✓ for refund of the IGST paid on goods exported out of India [Rule 96]



First proviso to section 25(6A) of the CGST Act, 2017 provides that if an Aadhaar number is not assigned to an existing registered person, such person shall be offered alternate and viable means of identification in the prescribed manner. Such manner has been prescribed by rule 10B of the CGST Rules, 2017 as follows:

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) his/ her Aadhaar Enrolment ID slip; and*
- (b) (i) Bank passbook with photograph; or*
 - (ii) Voter identity card issued by the Election Commission of India; or*
 - (iii) Passport; or*
 - (iv) Driving license issued by the Licensing Authority*

However, once Aadhaar number is allotted to such person, he shall undergo the authentication of Aadhaar number within a period of 30 days of the allotment of the Aadhaar number.

The afore-said rule 10B shall not be applicable to persons notified under section 25(6D) of the CGST Act, 2017, i.e. to persons exempt from aadhaar authentication.



Question 9

Under the provision of section 29(1) of CGST Act, 2017 read with rule 21A of CGST Rules, 2017 related to suspension of registration if the registered person has applied for cancellation of registration, what is the period and manner of suspension of registration ?

Answer

Where a registered person has applied for cancellation of registration, the registration shall be deemed to be suspended from:

- (a) the date of submission of the application or*
- (b) the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration.*

Such person shall not make any taxable supply during the period of suspension and shall not be required to furnish any return.

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

