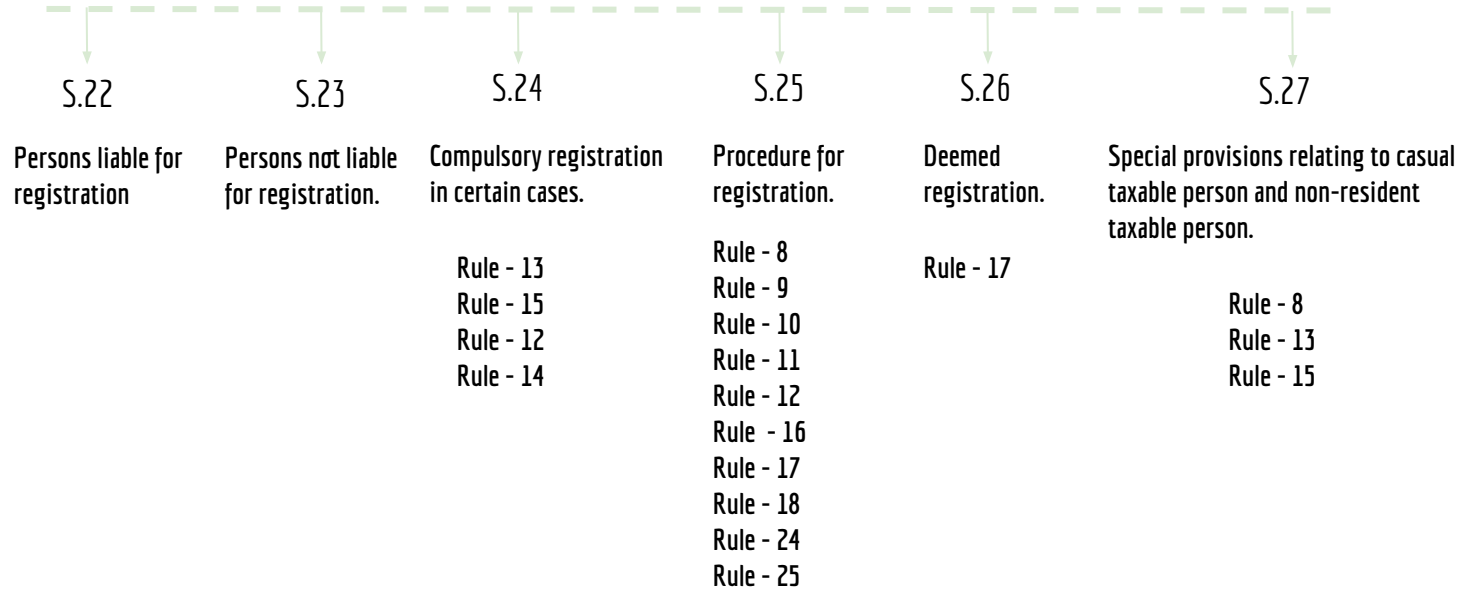


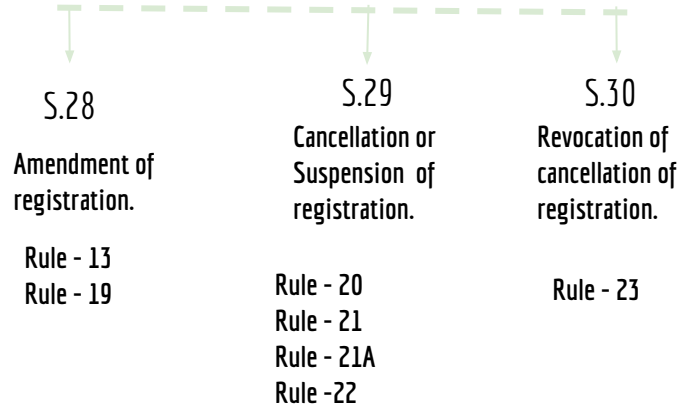


Chapter 6



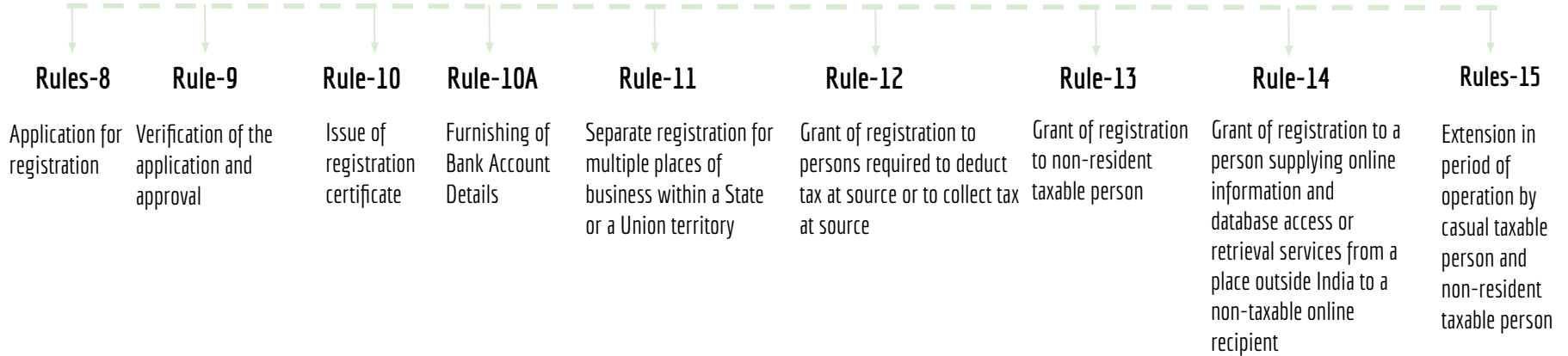


Chapter 6





Chapter III of CGST Rules





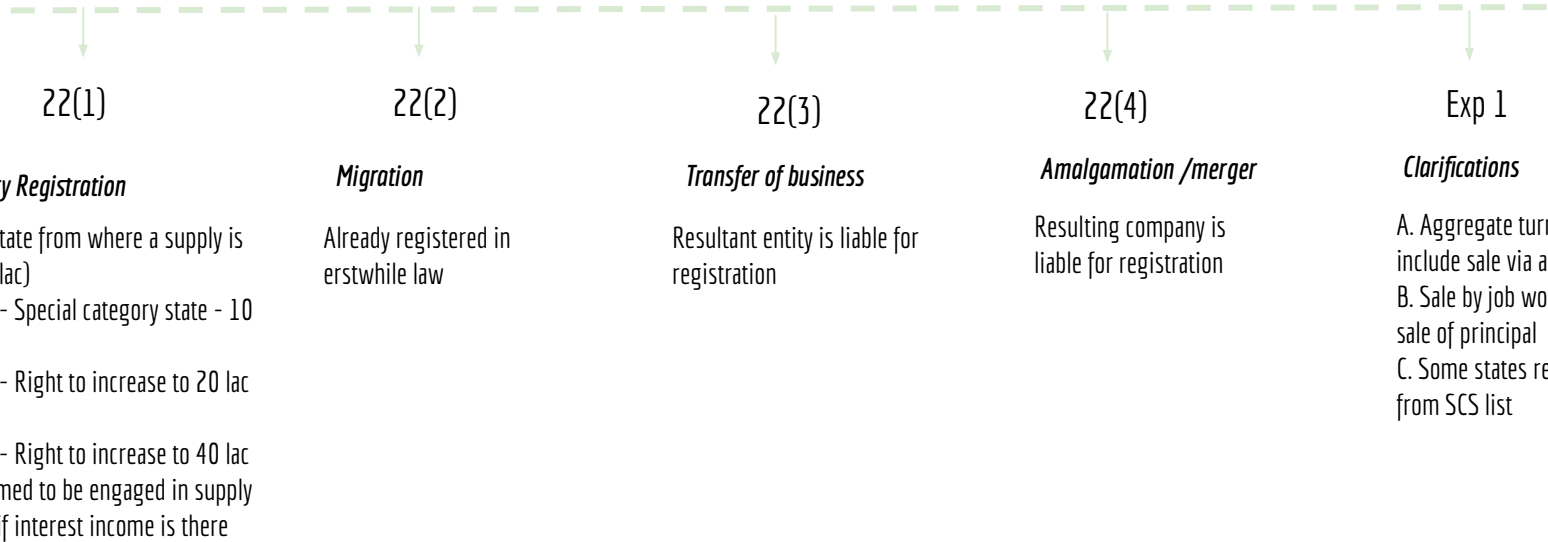
Chapter III of CGST Rules

Rule-16	Rule-17	Rule-18	Rule-19	Rule-20	Rule-21	Rule-21A	Rule-23	Rule-24	Rule-25	Rule-26
Suo moto registration	Assignment of Unique Identity Number to certain special entities	Display of registration certificate and Goods and Services Tax Identification Number on the name board.	Amendment of registration.	Application for cancellation of registration	Registration to be cancelled in certain cases	Suspension of registration	Revocation of cancellation of registration	Migration of persons registered under the existing law	Physical verification of business premises in certain cases	Method of authentication





Section 22 of CGST Act



Registration

Section - 22

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.

“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.”;

[Inserted vide Central Goods and Services Tax (Amendment) Act, 2018 w.e.f 01-02-2019]



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 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. [Inserted vide FINANCE (NO. 2) ACT, 2019 w.e.f. 01-01-2020]

(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.

[Inserted vide FINANCE (NO. 2) ACT, 2019 w.e.f. 01-01-2020]



(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 [except The state of Jammu Kashmir and states of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand.](#)

[Inserted vide [THE CENTRAL GOODS AND SERVICES TAX \(EXTENSION TO JAMMU AND KASHMIR\) ACT, 2017 NO. 26 OF 2017 w.e.f. 8-7-2017](#)]

[[Inserted vide Central Goods and Services Tax \(Amendment\) Act, 2018 w.e.f 01-02-2019](#)]



Section 2(6) - “aggregate turnover” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

Section 2(47) - “exempt supply” means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply;

Section 2(78) - “non-taxable supply” means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act;



Practical case study for registration: Case:1



Supplier

Taxable supply: Rs . 10 lac
Sale of exempted goods:Rs.5 Lac
Zero rated supply : Rs.5Lac Sale
Supply not leviabale to GST: Rs . 2lac

Whether Liable
for Registration?



Practical case study for registration: Case:2



Liquor Supplier

Sale of Empty container: Rs.100
Sale of Liquor:Rs.5 Cr
Sale of Nil rated supply: 0
Supply not leviable to GST: 0

Whether Liable
for Registration?



Practical case study for registration: Case:3



Agriculturist

Sale of Agriculture Produce: Rs.10 Cr
Rent of residential property: Rs.5,00,000
Sale of Newspaper Waste: Rs.80

Whether Liable
for Registration?





Section 23 of CGST Act

23(1)

Persons not liable for registration

- Exclusively supply of-
Not liable to tax
Wholly exempt from tax
- An Agriculturist

23(2)

Right to specify categories not liable for registration

Not- 5/2017- CT - A person whose entire supply is covered in RCM



Section - 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) 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.



Advance ruling given regarding the registration:

As per the ruling given by the **Delhi Authority for Advance Ruling** the person who is receiving the services under the Reverse Charge Mechanism(RCM) has to take the registration even if the person is only supplying the exempt or nil rated goods or services or both. The ruling is given in the case M/s Sonka Publication (India) Private Limited which is pronounced on 9 th April, 2018.

The person who is receiving the goods or services or both under RCM has to take mandatory registration as per the section 24 of the CGST Act, 2017.



When outward supply is covered in RCM

Notification No. 5/2017 - Central Tax

The persons who are only engaged in making supplies of taxable goods or services or both, the total tax on which is liable to be paid on reverse charge basis by the recipient of such goods or services or both under sub section (3) of section 9 of the said Act as the category of persons exempted from obtaining registration under the aforesaid Act.

