

About GST Registration

Introducing Goods and Services Tax (GST) has been a big tax reform in India. And so much time has passed since its introduction that questions like “what is GST Registration” do not sound right. So here is a brief introduction

- GST is the only tax that one has to get his/her business registered under.
- If your business is not GST registered, heavy fines and penalties can be levied.
- GST Registration allows you to collect GST from your customers.
- To avoid going against the law, get your business registered for GST.

- You can get your [GST Registration in Jaipur](#) through Legal Window. Here, we excel in lessening the burden of a lengthy registration process. Our expert team will guide you on how you can get GSTIN in a hassle-free way. You can apply anytime for your GST number whether you are based in Delhi NCR, Mumbai, Bengaluru, Chennai, or anywhere in India.

Types of GST

India has a Dual GST Model. Under this tax may be levied simultaneously by both Central and State governments on certain taxable supplies. Such as on inter-state supplies, tax is levied by Central Government.

<i>Features</i>	<i>Central GST – CGST</i>	<i>State GST – SGST</i>	<i>Integrated GST – IGST</i>
Tax Levied By	Central Government on Intra-State supplies of Goods and/or Services	State Government, on Intra-State supplies	Central Government, on Inter-State supplies
Applicability	Supplies inside a state	Supplies inside a state	Interstate supplies and import
Input Tax Credit	Against CGST and IGST	Against SGST and IGST	Against CGST, SGST, and IGST
Tax Revenue Sharing	Central Government	State Government	Shared between State and Central governments

<i>Features</i>	<i>Central GST – CGST</i>	<i>State GST – SGST</i>	<i>Integrated GST – IGST</i>
Free Supplies	Applicable	Applicable	Applicable

Who Must Get GST Registration

All businesses involved in buying or selling goods or providing services, or both, should register for GST. But for the below-listed persons, GST Registration is compulsory.

- **Previous Law Converted Taxpayer** – All individuals or companies registered under the Pre-GST tax laws like Service Tax or Excise or VAT, etc.
- **Turnover for Goods Provider** – If your sales or turnover of goods is crossing Rs. 40 lakh in a year then GST Registration is mandatory. For the Special Category Status, the limit is Rs. 20 lakh in a year.
- **Turnover for Service Provider** – If you are a service provider & sales or turnover is crossing Rs. 20 lakh in a year then GST Registration is mandatory. For the Special Category Status, the limit is Rs. 10 lakh in a year
- **Casual Taxpayer** – If you supply goods or services, in **events/exhibitions**, and do not have a permanent place for doing business. In such cases, GST is charged based on an estimated turnover of 90 days. The validity of the Registration is also 90 days.
- **Agents of Suppliers or Input Service Distributor (ISD)** – All supplier agents and ISD, to earn benefits of Input Tax Credit, need GST Registration.
- **NRI Taxable Person** – If you are an NRI or handling the business of NRI in India.
- **Reverse Charge Mechanism (RCM)** – Businesses who need to pay taxes under the RCM also need to be GST registered.
- **E-Commerce Portals & Sellers** – Every e-commerce portal (such as Amazon or Flipkart) under which multiple vendors are selling their products. Or for all vendors. You need a GST Registration.
- **Outside India Online Portal** – For suppliers of online information and database access or retrieval services from a place outside India to Indian Residents.
- **Transferee** – When the business has been transferred.
- **Inter-State Operations** – Persons making an inter-state supply. Whatever the turnover.
- **Brands** – Aggregator who supplies service under his Brand or Trade Name.
- **Other Taxation** – Persons who are required to deduct tax u/s 37 (TDS) of the Income Tax Act.

- **Voluntary GST Registration** – Any entity can obtain GST registration at any time. Even when the above mandatory conditions don't apply to them.
- **Inter-State Registration** – If you are a supplier in more than one state you need GST Registration in all the states that you supply goods or services.
- **Branches** – If your business has multiple branches in multiple states, register one particular branch as the main office or head office and the remaining branches as additional. (Not applicable if the business has separate verticals as listed in Section 2 (18) of the CGST Act, 2017.)

The Special Category States under GST Act are:

(a) Arunachal Pradesh, (b) Assam, (c) Sikkim, (d) Meghalaya, (e) Tripura, (f) Mizoram, (g) Manipur, (h) Nagaland, and (i) Himachal Pradesh. These states can opt for tax payable at a concessional rate.

GST Registration Process on Government Portal

To register for GST on the Government site, you need to follow the below steps. Cautiously & Accurately.

- Go to the Government GST Portal and look for Registration Tab.
- Fill PAN No., Mobile No., E-mail ID, and State in **Part-A** of Form **GST REG-01** of GST Registration.
- You will receive a temporary reference number on your Mobile and via E-mail after OTP verification.
- You will then need to fill **Part-B** of Form **GST REG-01**. To be duly signed (by DSC or EVC) and upload the required documents specified according to the business type.
- An acknowledgment will be generated in Form **GST REG-02**.
- In case of any information is pending from your side. It will be sought from you by intimating you in Form **GST REG-03**. for this, you may be required to visit the department and clarify or produce the documents within 7 working days in Form **GST REG-04**.
- The office may also reject your application if they find any errors. You will be informed about this in Form **GST REG-05**.
- Finally, a certificate registration Finally, a certificate of registration will be issued to you by the department after verification and approval in Form **GST REG-06**

The procedure of GST Registration through Legal Window



Fill out the simple application form provided on our website.



Send your documents that are required according to your category of business.



We will file all your forms on behalf of you along with the declaration.



As soon as we will get your GST number, we will send you by E-mail.

What's included in our package?



GST Certificate with ARN and GSTIN Number



GST HSN Codes with Rates



GST Invoice Formats



GST Return Filing Software



GST Invoicing software

Documents Required

For Sole Proprietorship / Individual

- Aadhaar card, PAN card, and a photograph of the sole proprietor
- **Details of Bank account-** Bank statement or a cancelled cheque
- **Office address proof:**

- **Own office** – Copy of electricity bill/water bill/landline bill/ property tax receipt/a copy of municipal khata
- **Rented office** – Rent agreement and NOC (No objection certificate) from the owner.

For Partnership deed/LLP Agreement

- Aadhaar card, PAN card, Photograph of all partners.
- Details of Bank such as a copy of the cancelled cheque or bank statement
- **Proof of address of the principal place of business and additional place of business :**
 - **Own office** – Copy of electricity bill/water bill/landline bill/ a copy of municipal Khata/property tax receipt
 - **Rented office** – Rent agreement and NOC (No objection certificate) from the owner.
- **In case of LLP-** Registration Certificate of the LLP, Copy of board resolution
Appointment Proof of authorized signatory- letter of authorization

For Private limited/Public limited/One person company

- Company's PAN card
- Certificate of Registration
- MOA (Memorandum of Association) /AOA (Articles of Association)
- Aadhar card, PAN card, a photograph of all Directors
- **Details of Bank-** bank statement or a cancelled cheque
- Proof of Address of Principal place of business and additional place of business:-
 - **Own office** – Copy of electricity bill/water bill/landline bill/ a copy of municipal khata/ property tax receipt
 - **Rented office** – Rent agreement and NOC (No objection certificate) from the owner.
- Appointment Proof of authorized signatory- letter of authorization

For HUF

- A copy of the PAN card of HUF
- Aadhar card of Karta
- Photograph
- Proof of Address of Principal place of business and additional place of business:

- **Own office** – Copy of electricity bill/water bill/landline bill/ a copy of municipal khata/ property tax receipt
- **Rented office** – Rent agreement and NOC (No objection certificate) from the owner.

- **Details of Bank-** bank statement or a copy of a cancelled cheque

For Society or Trust or Club

- Pan Card of society/Club/Trust
- Certificate of Registration
- PAN Card and Photo of Promotor/ Partners
- **Details of Bank-** a copy of the cancelled cheque or bank statement
- Proof of Address of registered office :

- **Own office** – Copy of electricity bill/water bill/landline bill/ a copy of municipal khata/ property tax receipt
- **Rented office** – Rent agreement and NOC (No objection certificate) from the owner.

- Appointment Proof of authorized signatory- letter of authorization

Penalties of Non-Compliance

All GST Returns must be filed by the 20th of the following month. There are strict laws under the GST Act for non-compliance with the Rules & Regulations.

Penalty for Not Getting GST Registration, when a business is coming under the purview. The penalty is 100% of the tax amount if the offender has not filed for GST registration and intends to purposefully avoid it. The amount is the tax as applicable. Or Rs. 10,000, whichever is higher.

A penalty of 100% tax due or Rs. 10,000, whichever is higher, is also applicable to those who choose Composition Scheme despite not being eligible for it.

Any offender not paying his due tax or making short payments (genuine errors) is liable to pay a penalty of 10% of the tax amount. This amount cannot be less than Rs 10,000.

A person guilty of not providing the GST invoice is liable to be charged 100% tax due or Rs. 10,000. Whichever is higher.

An offender will be charged a fine of Rs. 25,000 for incorrect invoicing.

If a person has not filed for unpaid tax, there is a penalty of Rs. 50 per day. Rs. 20 per day if he was to file for NIL returns. And the maximum amount must not exceed Rs. 5,000.

There is also a provision of a penalty by a jail term for tax offenders to commit fraud.

Benefits of GST Registration

• Elimination of Multiple Taxes

One of the benefits of GST is the elimination of multiple indirect taxes that existed earlier. So many taxes have been replaced. Taxes like excise, octroi, sales tax, Service tax, CENVAT, turnover tax, etc are not applicable anymore and all those have come under a common tax called GST.

• Saving More Money

GST applicability has resulted in the elimination of double charging in the system for the common man. Through this, the price of goods and services has been reduced & helping the common man to save more money.

• Ease of business

GST brought the concept of "One Nation One Tax". That unhealthy competition that existed earlier among the States has benefited businesses wishing to do interstate business.

• Cascading Effect Reduction

From manufacturing to consumption, GST is applicable at all stages. It is providing tax credit benefits at every stage in the chain. In the earlier scenario, at every stage, the margin used to get added and tax was paid on the whole amount. Under GST the businesses are taking benefit of Input Tax Credit and tax is being paid on the amount of value addition only. GST has reduced the cascading effect of tax thereby reducing the cost of the product.

• More Employment

Because GST has reduced the cost of products, the demand, for some – if not all, products has increased. With the increase in demand, to meet the increase in supply, the employment graph has started going up.

- **Increase in GDP**

The higher the demand, the higher will be the production. This results in a higher Gross Domestic Product (GDP).

- **Reduction in Tax Evasion**

Goods and services tax is a single tax that includes various earlier taxes and has made the system efficient with fewer chances of corruption and Tax Evasion.

- **More Competitive Product**

Manufacturing has become more competitive with GST eliminating the cascading effect of the tax, inter-state tax, and high logistics costs. Bringing competitiveness as GST will address the cascading effect of the tax, inter-state tax, and high log benefits to the businessman and consumer.

- **Increase in Revenue**

Under the GST regime, 17 indirect taxes have been replaced with a single tax. The increase in product demand means higher tax revenue for state and central governments.

What is a Voluntary GST Registration?

A person who is not liable, still files for GST application, can get registered. However, then, it becomes essential for him to file Returns, after getting a GST number. Else, he will have to pay a penalty, as applicable.

You can choose to register for GST voluntarily too.

Especially if you are wishing to claim Input Tax Credit. Even if you are not liable to be registered, you can be registered voluntarily. After registration, you will also have to comply with regulations as applicable to those required to be registered.

Benefits of registering voluntarily under GST

- Take Input Tax Credit,
- Operate interstate without restrictions,
- Have the option to register on e-commerce websites,
- Have a competitive advantage compared to other rival businesses,
- Fewer hassles and better compliance with government licensing agencies,
- Focus on Your Business Growth.

Input Tax Credit or ITC

Inputs are all those goods that went into creating the finished products provided to the final consumer. Businesses are charged GST on goods/services that are used as inputs. The ITC mechanism allows GST registered businesses to receive refunds on the GST paid for purchasing all inputs. This helps prevent the cascading taxation effect, which was the primary reason behind the introduction of the GST.

For instance: GST payable on the supply of the final product of a manufacturer is Rs. 850 and the GST paid on inputs is Rs. 725. The manufacturer can claim the Rs. 725 as ITC. This brings the net tax payable at the time of supply to Rs. 125 only (Rs. 850 – Rs. 725).

Under the previous indirect tax regime of levy of Service Tax, VAT, and Excise – a lot of input tax credit was not properly utilized.

Who are eligible to claim Input Tax Credit?

ITC is available only to those entities that have registered under the GST Act. Only GST registered businesses can claim ITC on the tax paid for the purchase of any business relevant inputs.

Who cannot claim ITC?

Input Tax Credit can be claimed only for business purposes. It is not available for goods or services exclusively used for:

- Personal use,
- Exempt supplies,
- Supplies for which ITC is specifically not available.

Apart from the above, there are some other cases where ITC will be reversed. Such as Credit Notes issued to ISD, Non-payment of invoices within 180 days, assets bought partly or wholly for exempted supplies or personal use, etc.

Conditions for claiming Input Tax Credit

1. GST invoice showing details of tax paid is necessary,
2. The goods on which GST has been paid have been received by the consumer,
3. The applicant has filed the relevant tax returns,
4. The supplier had paid the due tax to the government,
5. The ITC applicant is registered under GST,
6. If goods were received in installments, ITC can be claimed only after the final lot has been received.

ITC cannot be claimed if:

- Composition tax registered entities paying GST on inputs,
- If depreciation has been claimed on the tax part of a capital good,
- On goods not used as inputs such as supplies for personal use,
- On goods on which ITC is not applicable under the GST Act (exempted goods).

Input tax credits can be used as:

- CGST input tax credits are allowed to be used to pay CGST and IGST,
- SGST input tax credits are allowed to be used to pay SGST and IGST,
- IGST input tax credits are allowed to be used to pay CGST, SGST, and IGST.

What is the composition scheme under GST?

Small businesses with an annual turnover of less than Rs. 1.5 crore (Rs. 75 Lakhs for the Special Category States) can opt for the Composition scheme.

1. Composition dealers need to pay nominal tax rates based on the type of business. (a maximum of 2% for manufacturers, 5% for the restaurant service sector, and 1% for other suppliers.)
2. Composition dealers are required to file only a single quarterly return (instead of the monthly returns filed by normal taxpayers).
3. They cannot issue tax invoices. That is, they cannot collect tax from customers and they are to pay the tax out of their pocket.
4. Entities that have opted for the Composition Scheme cannot claim any Input Tax Credit.

Who can opt for the Composition scheme?

- All SMEs looking for lower compliance and lower rates of taxes under GST.
- A GST taxpayer, whose turnover is below Rs 1.5 crore, can opt for the Composition Scheme. (In the case of Special Category Status, the present limit is Rs 75 lakh.)
- The Aggregate Turnover of all businesses registered under the same PAN would be taken into consideration to calculate turnover.
- Shall pay tax at normal rates in case he is liable under the reverse charge mechanism.
- Dealers of intra-state supply of goods (or service of only the restaurant sector).

Which businesses are not eligible to apply for the Composition Scheme?

The composition scheme does not apply to:

- Service providers,
- Inter-state sellers,

- E-commerce sellers,
- Supplier of non-taxable goods,
- Manufacturer of Notified Goods,
- All the suppliers of services except those providing restaurant services (not serving alcohol),
- Suppliers of – ice cream, pan masala, or tobacco (and its substitutes),
- Casual Taxable Person,
- Non-resident Taxable Person,
- Supplier of exempted goods or services.

How to apply for the Composition Scheme?

1. In case of new registration, you can opt for the scheme at the time of GST Registration.
2. If you are already registered you can file for it by submitting GST CMP-02 online.