

Virtual Course on GST (Unlocking GST) by WIRC, ICAI

Introduction to GSTN Website Registration & Composition Scheme

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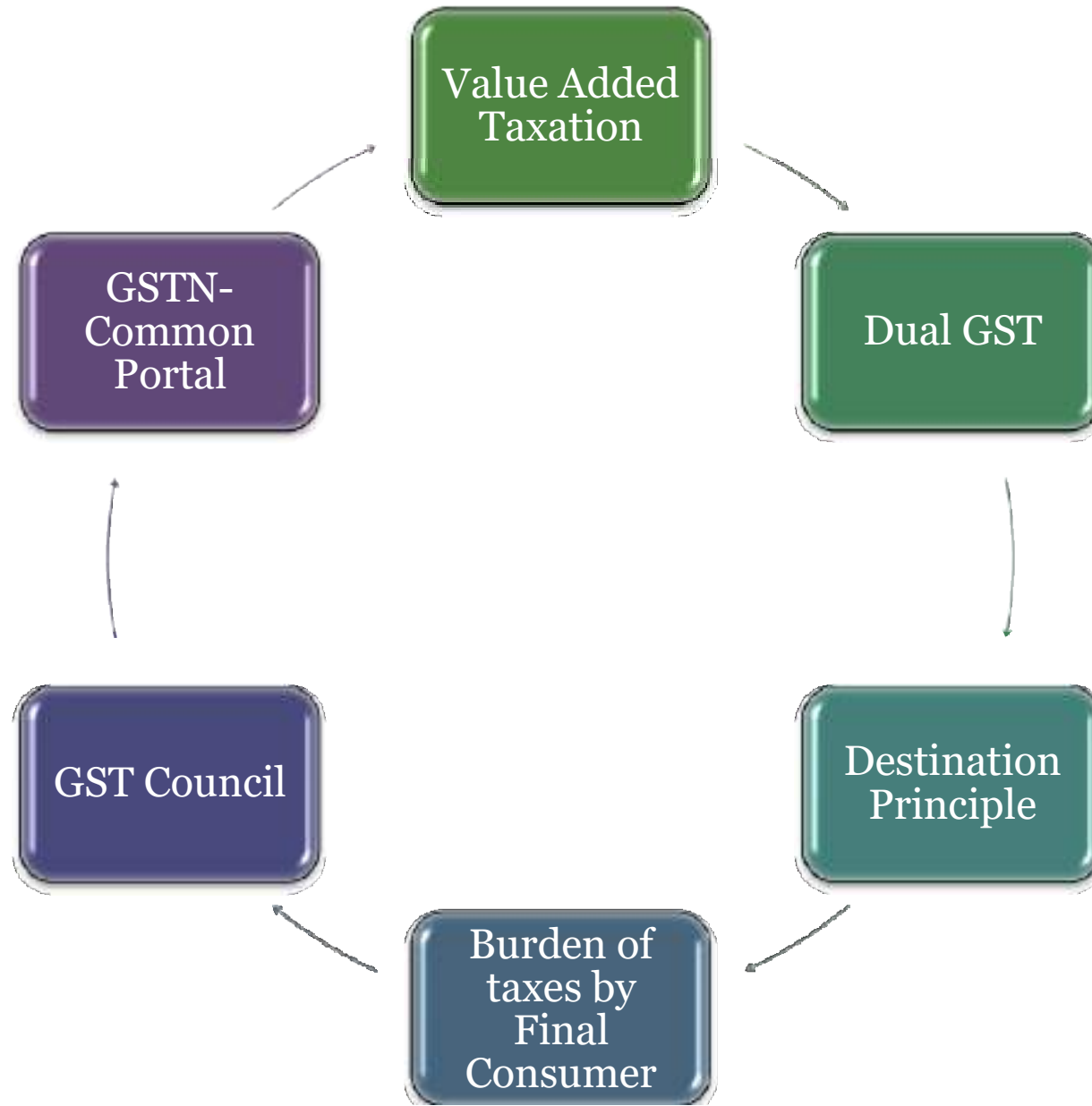
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GST Common Portal (GSTN)

Features of GST



Important Web Sites

- www.gst.gov.in
- www.cbic.gov.in
- <https://ewaybill.nic.in/>
- <http://gstcouncil.gov.in/>

Common Portal : GSTN

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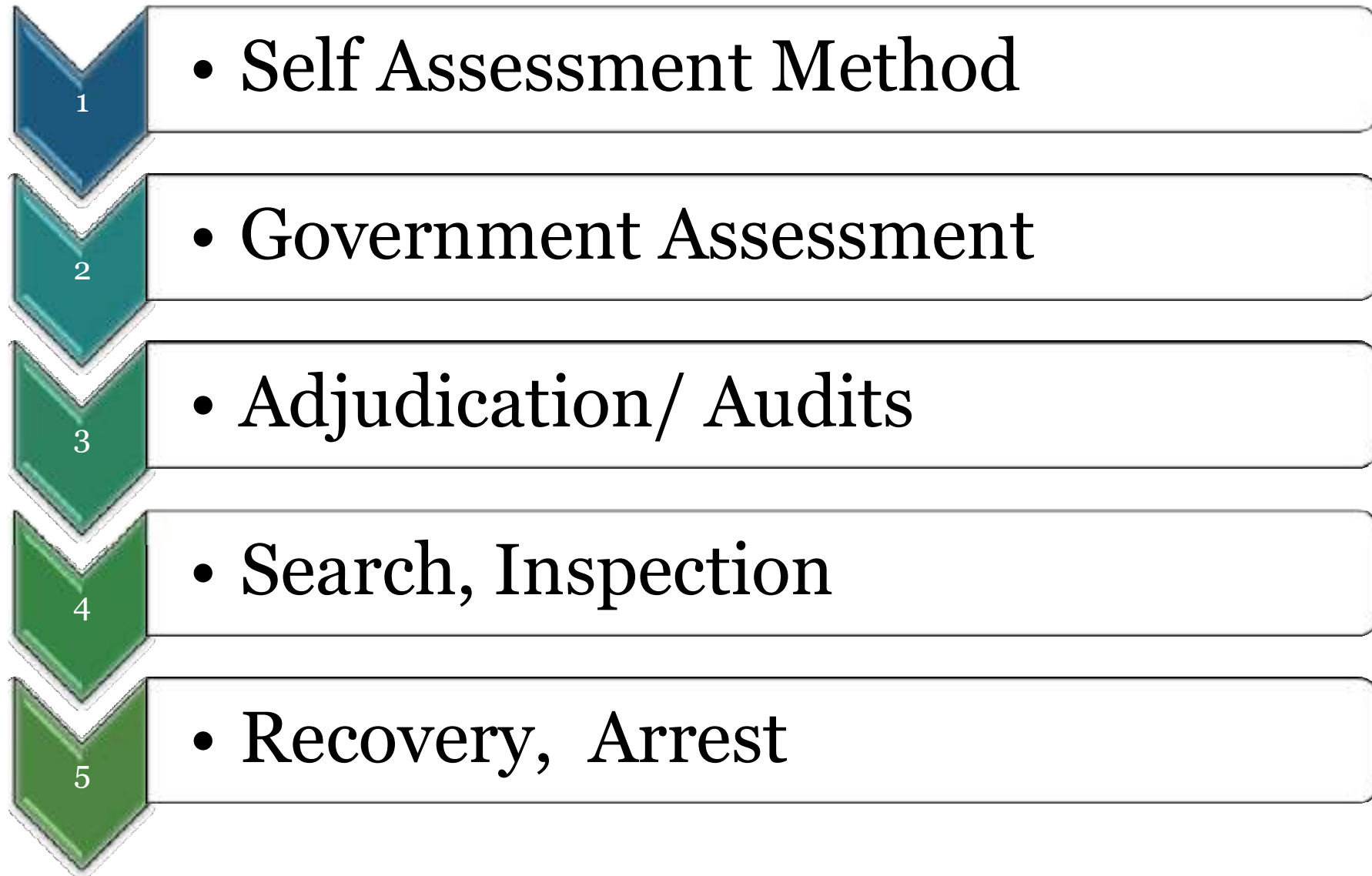


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GST Compliance



Facilities Available on GSTN

- News Updates, Press Releases, Help Topics, Due Dates, Search Tax Payers/ GSTPs
- Dashboard :
 - Compliance : Registration, Returns, Historic Returns, Tax Payments, Electronic Ledgers
 - Services : Misc. Applications, Amendments, Notices & Responses, Refunds, Instalments, Appeals, LuT, Advance Ruling



REGISTRATION
UNDER GST

Importance of Registration

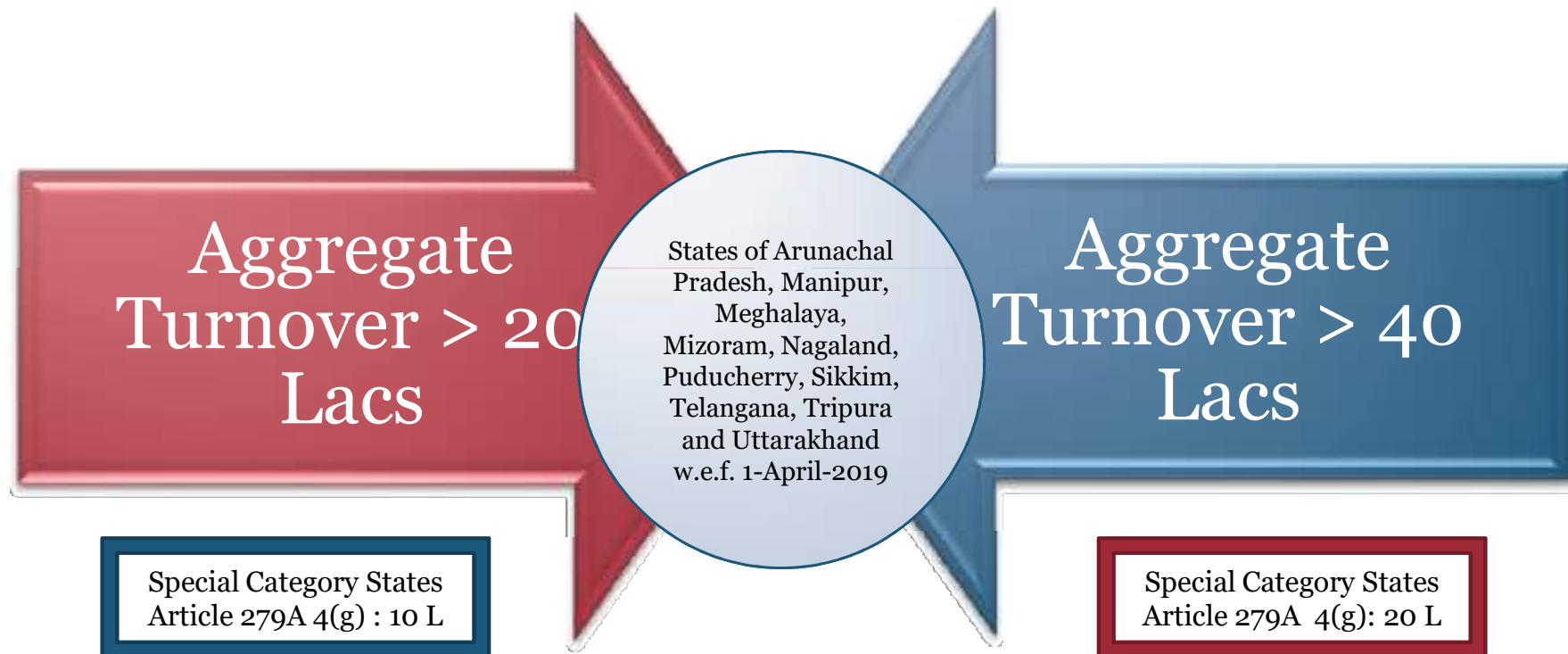
-
- To avoid cascading of taxes in Value addition taxation chain
 - Legally recognized as a supplier of goods and/or services
 - Utilization of input taxes for payment of GST due on supply of goods and/ or services
 - Pass on the credit of the taxes paid on the goods and/ or services supplied to purchasers or recipients
 - Proper accounting of taxes paid on the input goods and/ or services

Registration Requirements

- In the State from which he makes a taxable supply of goods or services or both
 - Not in state 'to which' it is made
- Place of Business: where business is 'ordinarily carried on' as per Sec 2(85) of CGST Act
 - this would be the location 'from' where taxable supplies are made
- Place of Business is not same as place of Supply
 - e.g. Installation activity is carried out at the project site which is not POB of the Supplier and the site may or may not be its POS

Exemption Threshold for Registration

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** if thresholds not crossed



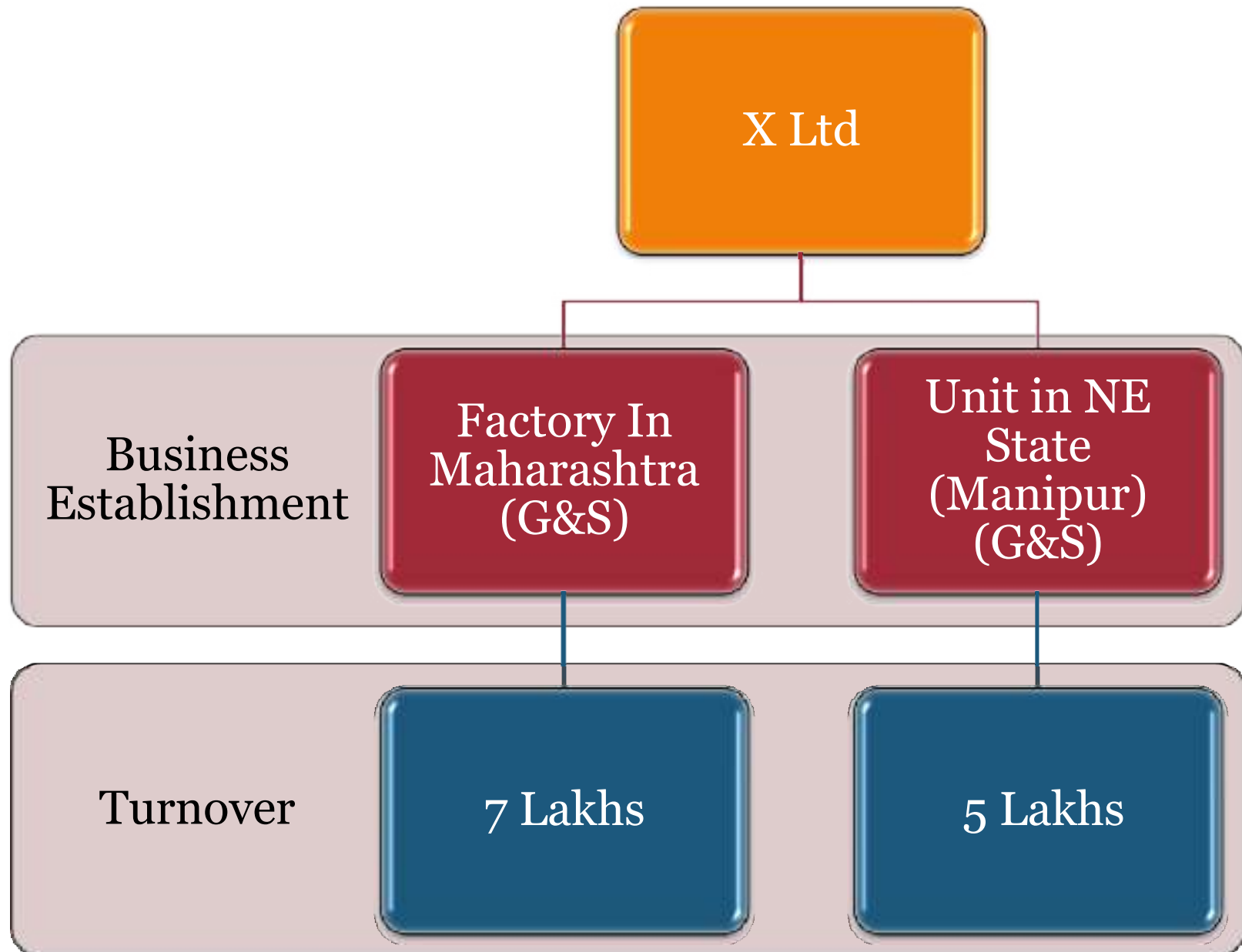
Enhanced Exemption Threshold

- *Third proviso* to section 22(1) inserted by Finance Act 2019 wef 01/08/2019
- If the person is exclusively engaged in supply of “goods”.
 - That is, this ‘enhanced exemption threshold’ will NOT apply if “goods and services” both are supplied by such person
- 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

Aggregate Turnover Meaning ?

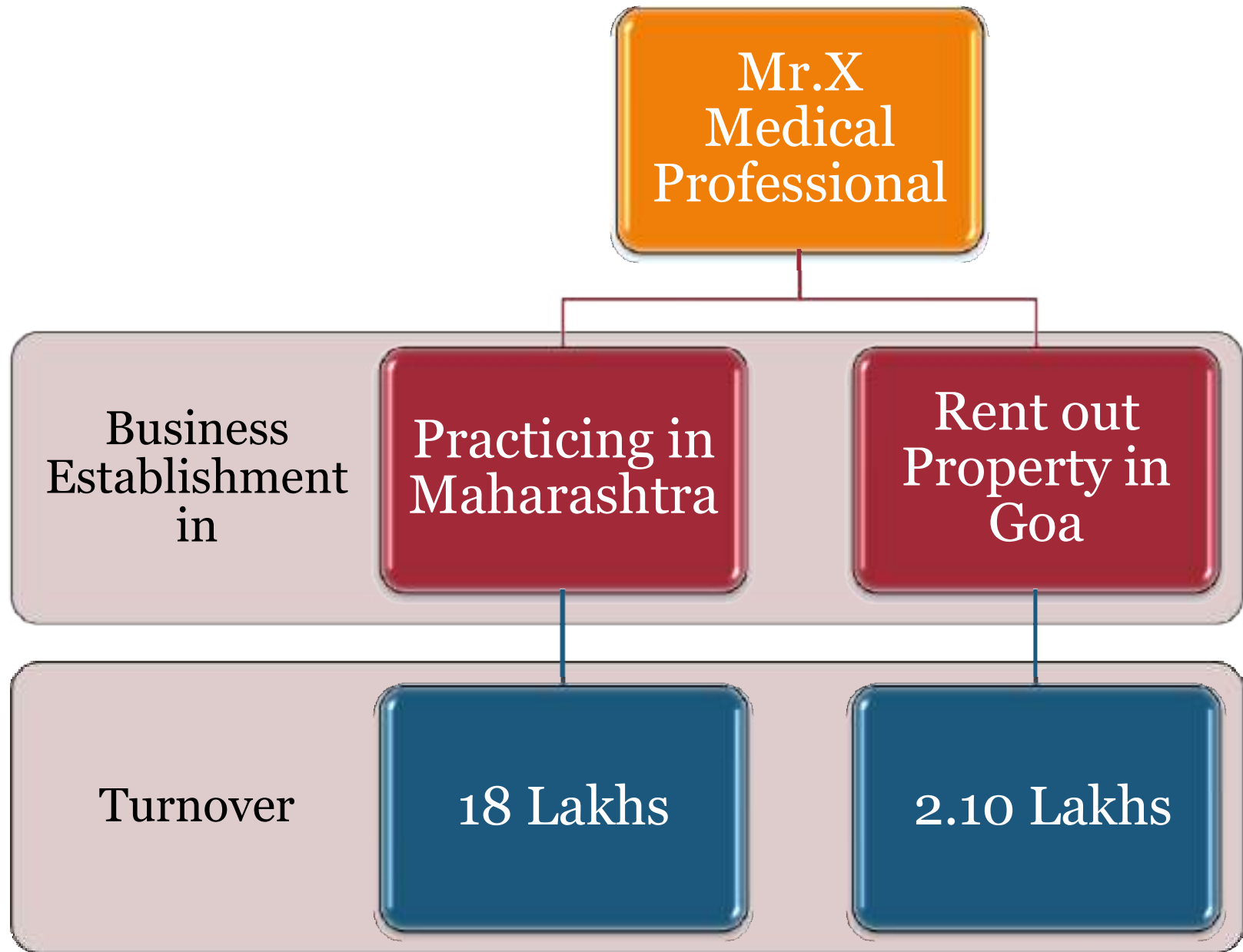
- Defined in Sec 2(6)
- Aggregate Turnover is PAN based and not State/ Union Territory based.
- Aggregate value of all:
 - Taxable supplies;
 - Exempt supplies;
 - Export of goods and/or services;
 - Inter-state supplies of a person having the same PAN
 - Excludes taxes, if any (CGST, SGST, UTGST or IGST)

ILLUSTRATION



Is X Limited liable to be registered?

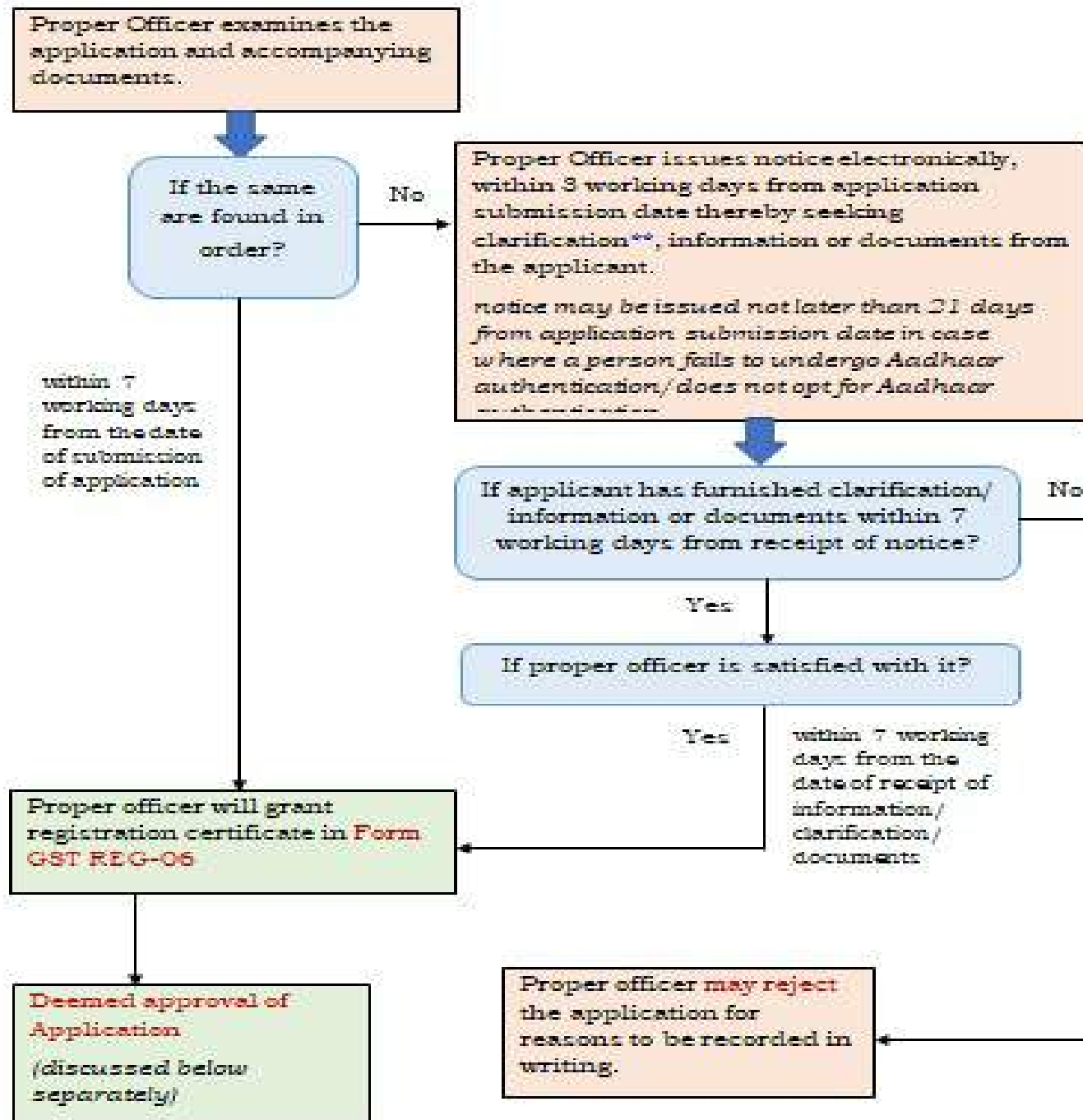
ILLUSTRATION



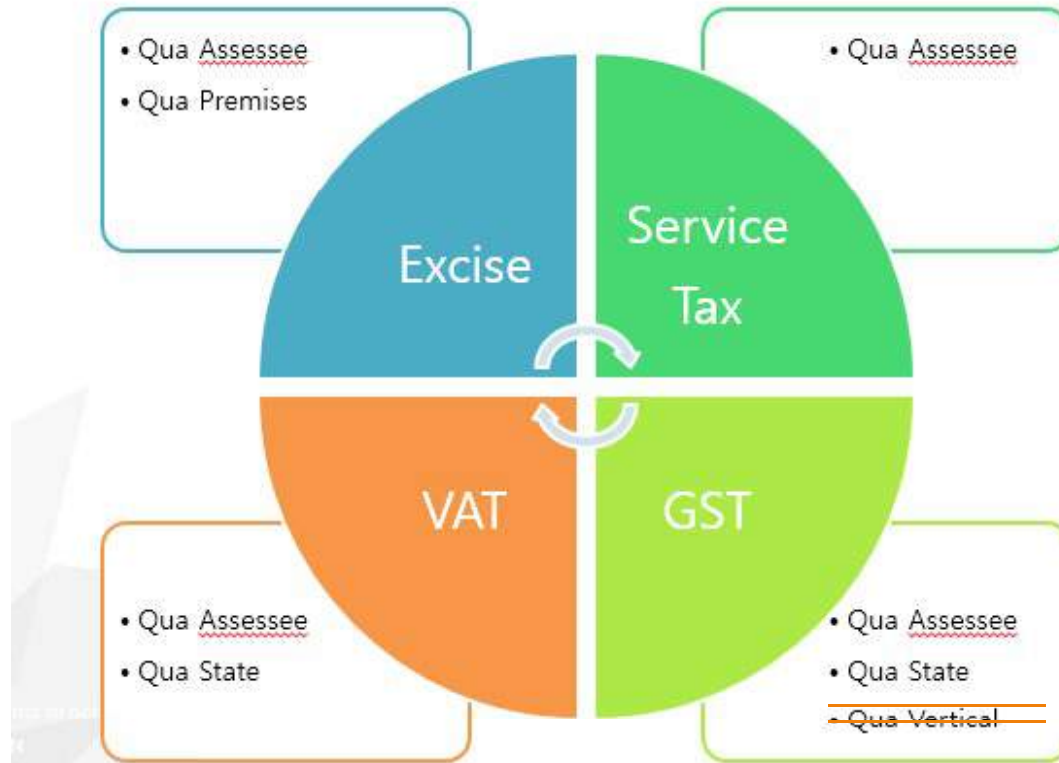
Is he liable to be register?

Registration on Portal

PAN validation	<ul style="list-style-type: none"> ➤ Part A of Form GST REG-01 – Declare PAN, mobile, e-mail, State/UT ➤ PAN validated online by Common Portal from CBDT database ➤ E-mail and mobile verified through OTP
TRN	Temporary reference number is generated and communicated to the applicant on the validated mobile and e-mail.
Part-B of application form	<p>Using TRN, applicant shall electronically submit application in Part B of application form, along with specified documents at the Common Portal.</p> <p>While submitting the application, the applicant shall undergo authentication of Aadhaar number for grant of registration.</p> <p>Part B of application contains the details, such as, constitution of business, jurisdiction, option for composition, date of commencement of business, reason to obtain registration, address of PPOB and nature of activity carried out therein, details of APOB, details of bank account(s), details of authorized signatory, etc.</p>
Acknowledgement	<p>On receipt of such application, an acknowledgement in the prescribed form shall be issued to the applicant electronically.</p> <p>A Causal Taxable Person (CTP) applying for registration gets a TRN for making an advance deposit of tax in his electronic cash ledger and an acknowledgement is issued only after said deposit.</p>
Forwarded to proper officer	Application shall be forwarded to the Proper Officer.



Registration Earlier V/s. GST Scenario



Per Tax Payer
Separate in Each
State

Situation	Pre-Amendment	Post-Amendment
Business 1 – IT Software Services Business 2 – Employee Training Services Location – Common Office	Separate registration possible since the tax payer has separate business vertical	Separate registration not possible since the businesses are operating from a common location
Business 1 – Hotel Business 2 – Hotel Location – Separate Locations	Separate registration not possible since the tax payer has single business vertical	Separate registration possible since businesses are located at different locations

Not required to register

Not liable
to register

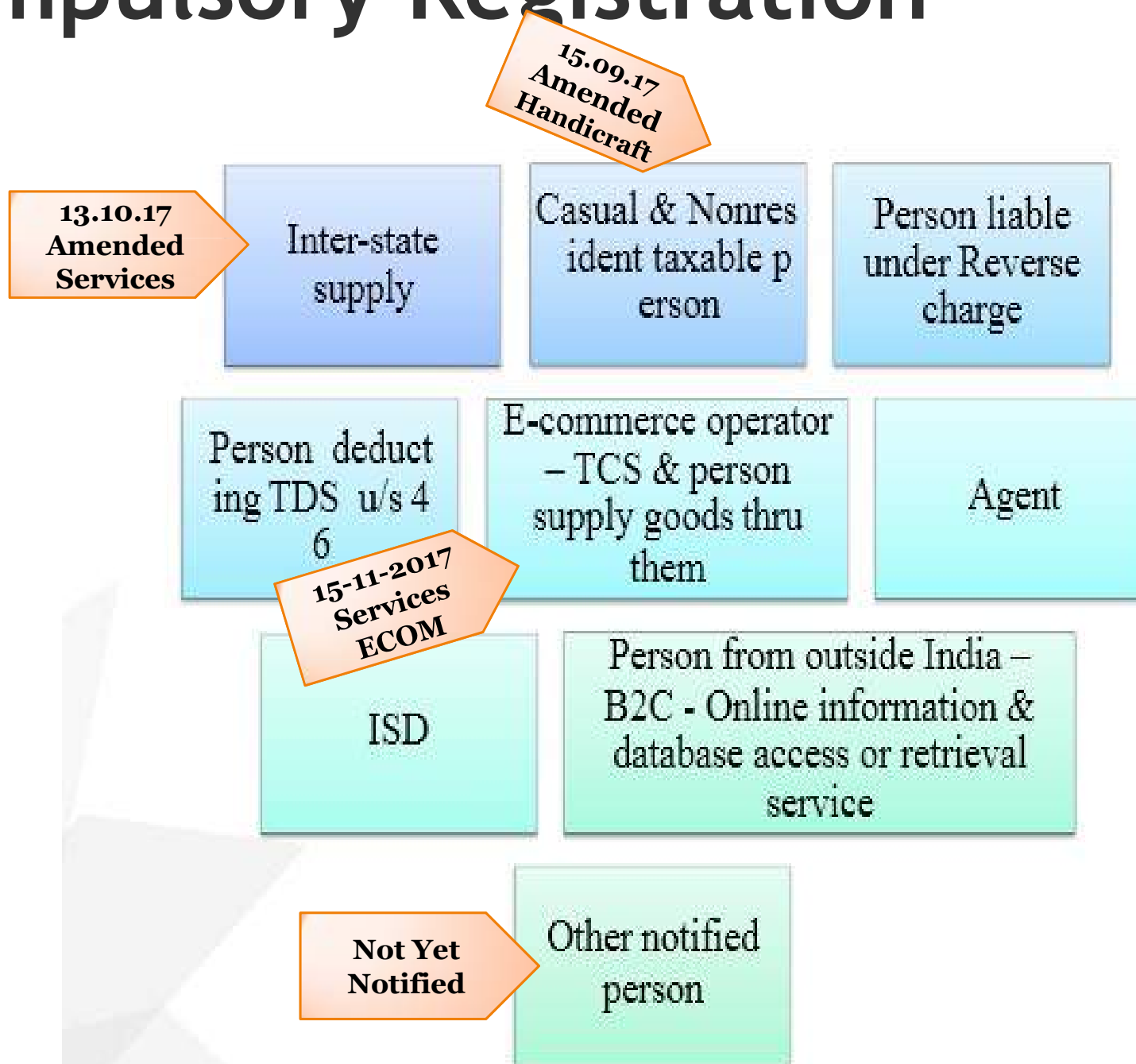
Engaged exclusively in
business of supplying
goods/services

- Not liable to tax
- Exempted from tax

An agriculturist, for the
purpose of agriculture

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

Compulsory Registration



GST Registration Details:

Unique Identification under GST Regime

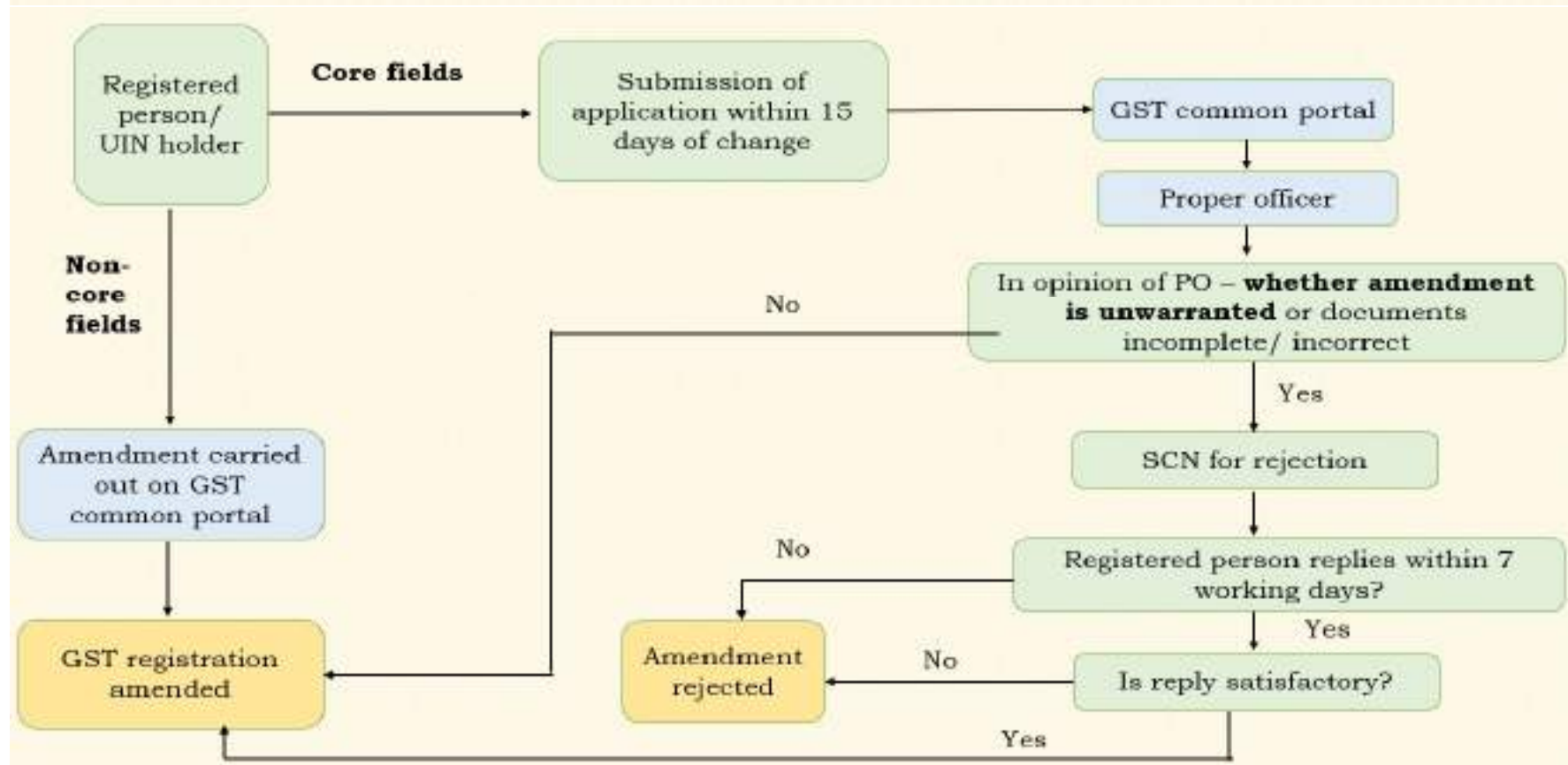
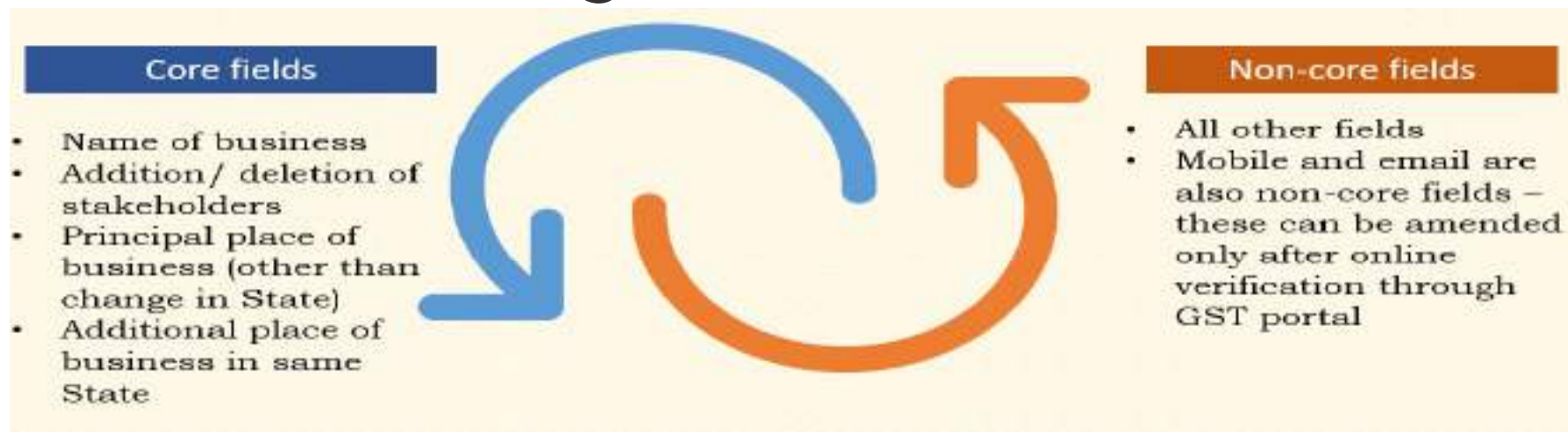
Goods and Service Tax Identification Number (GSTIN)

State		PAN										Entity	Blank	Check
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

- ❑ First 2 digits – State Code as per Indian Census 2011
- ❑ Next 10 digits – PAN (TAN in case of TDS & TCS)
- ❑ 13th digit – Entity Code (Alpha – Numeric & supports any entity having 35 business verticals)
- ❑ 14th digit – Blank for future purpose (Provisional ID is issued with letter Z)
- ❑ 15th digit – Check Digit

Mandatory to display GST Certificate at POB and mention GSTIN in name board

Amendment of registration



Cancelation of Registration

Sou
Motto

Business Discontinued

Change in Constitution

No longer liable to register

Contravened provisions of Act

Non furnishing of Returns

Voluntary RC non
commencement for 6 months
or any RC by fraud

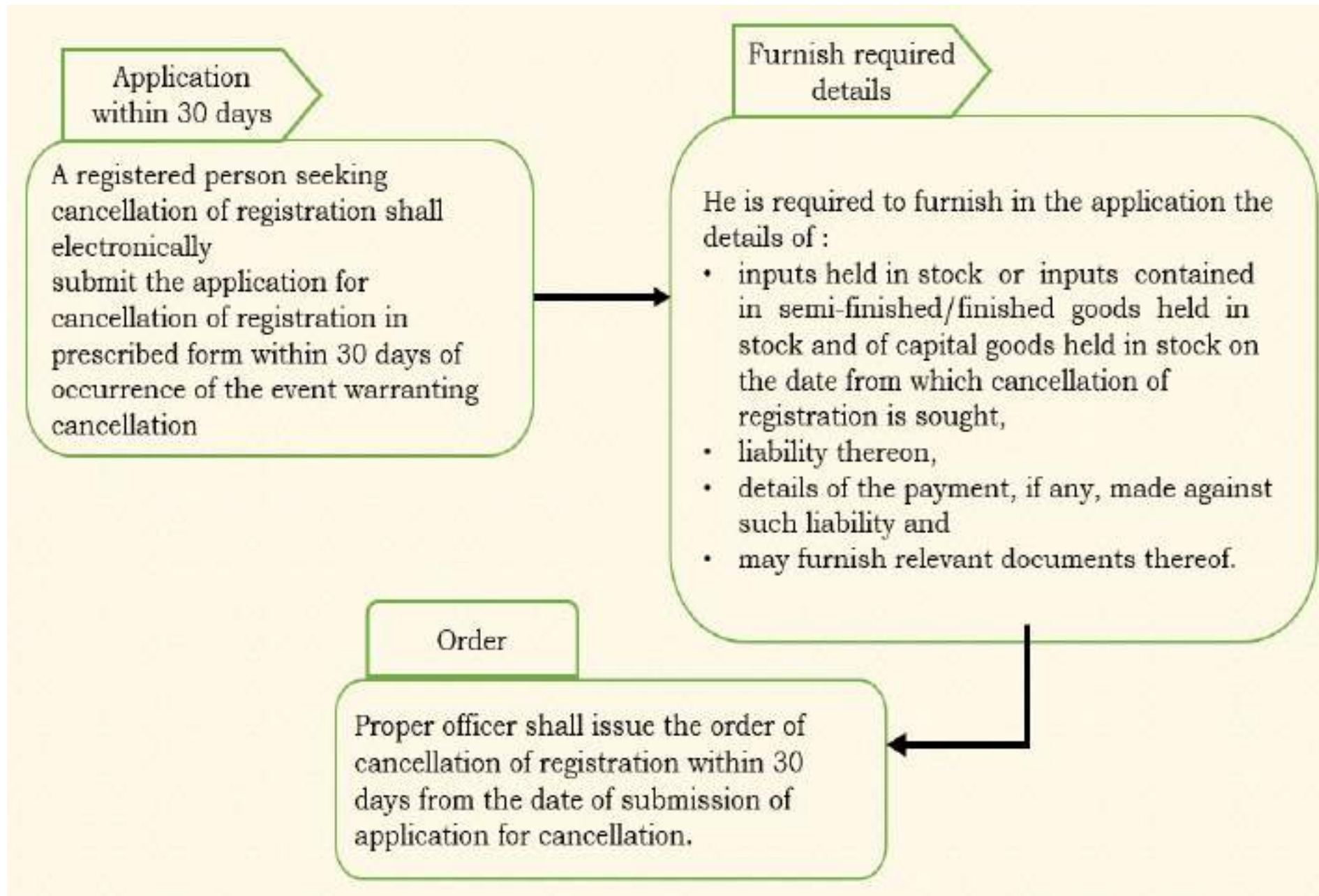
On
Application

Business Discontinued

Change in Constitution

No longer liable to register

Cancellation of Registration





COMPOSITION SCHEME UNDER GST

Composition Scheme

A benefit given to Small Tax Payers in terms of Compliance & Complications

Small taxpayers can get rid of tedious GST formalities and pay GST at a fixed rate of turnover.

Composition Scheme

This scheme can be opted by any taxpayer whose turnover does not cross specific threshold

Benefits/ Reliefs/ Relaxations are subjected to conditions/restrictions/prescriptions

Legal provisions Section 10

- A Registered person
- Whose aggregate turnover in the preceding financial year
- Did not exceed fifty lakh rupees,
- May opt to pay, in lieu of the tax payable by him under sub-section (1) of section 9,
- An amount calculated at such rate as may be prescribed
- Subject to Conditions / Restrictions as prescribed

Proviso to Section 10

- Provided that the Government may
- By notification
- Increase the said limit of fifty lakh rupees to such higher amount,
- Not exceeding one crore and fifty lakh rupees, as may be recommended by the Council

1.5 Cr. was substituted to 1 Cr. by The Central Goods and Services Tax Amendment Act, 2018 w. e. f. 01.02.2019

FINAL Threshold Limits

States	Threshold
Special Category States being Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Himachal Pradesh	Rs. 75 Lacs
All other States / UT	Rs. 1 Crore

Enhancement through :
Notification No. 46/2017-
Central
Tax, dated 13th October 2017

Earlier Limits
were Rs. 75 Lacs
& Rs 50 Lacs

Rates of taxes

<i>Sl. No.</i>	<i>Category of registered persons</i>	<i>Rate of tax</i>
1	<i>Manufacturers, other than manufacturers of such goods as may be notified by the Government</i>	<i>half per cent. of the turnover in the State or Union territory</i>
2	<i>Suppliers making supplies referred to in clause (b) of paragraph 6 of Schedule II</i>	<i>two and a half per cent. of the turnover in the State or Union territory</i>
3	<i>Any other supplier eligible for composition levy under section 10 and the provisions of this Chapter</i>	<i>half per cent. of the turnover of taxable supplies of [goods and services] in the State or Union territory</i>

Notification No. 1/2018-Central Tax dated 23.01.2018 effective 01.01.2018

Section 10(2): Eligibility

- Is not engaged in the supply of services
- Is not engaged in making any supply of goods which are not leviable to tax under this Act
- Is not engaged in making any inter-State outward supplies of goods or services
- Is not engaged in making any supply of goods through an E-com operator Covered by TCS u/s 52;
- Is not a manufacturer of such goods as may be notified by the Government on the recommendations of the Council

Para 6 (b) of Schedule II

- Supply, by way of or as part of any service
- or in any other manner whatsoever,
- of goods, being food or any other article for human consumption
- or any drink (other than alcoholic liquor for human consumption),
- where such supply or service is for cash, deferred payment or other valuable consideration

Second Proviso

- Provided further that
- a person who opts to pay tax under clause (a) or clause (b) or clause (c)
- may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II),
- of value not exceeding ten per cent. of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.

Miscellaneous

- 'Aggregate Turnover' as computed for a composition taxpayer shall not include any interest income
- A person supplying restaurant services along with the supply of any exempt services shall not be eligible
- Scheme cannot be opted for during the middle of a financial year, voluntarily. required to file an intimation before the commencement of the financial year for which he opts to pay tax under the scheme
- In order to be eligible to opt for the scheme, the registered person must not be in possession of stock of goods which has been purchased from unregistered persons.

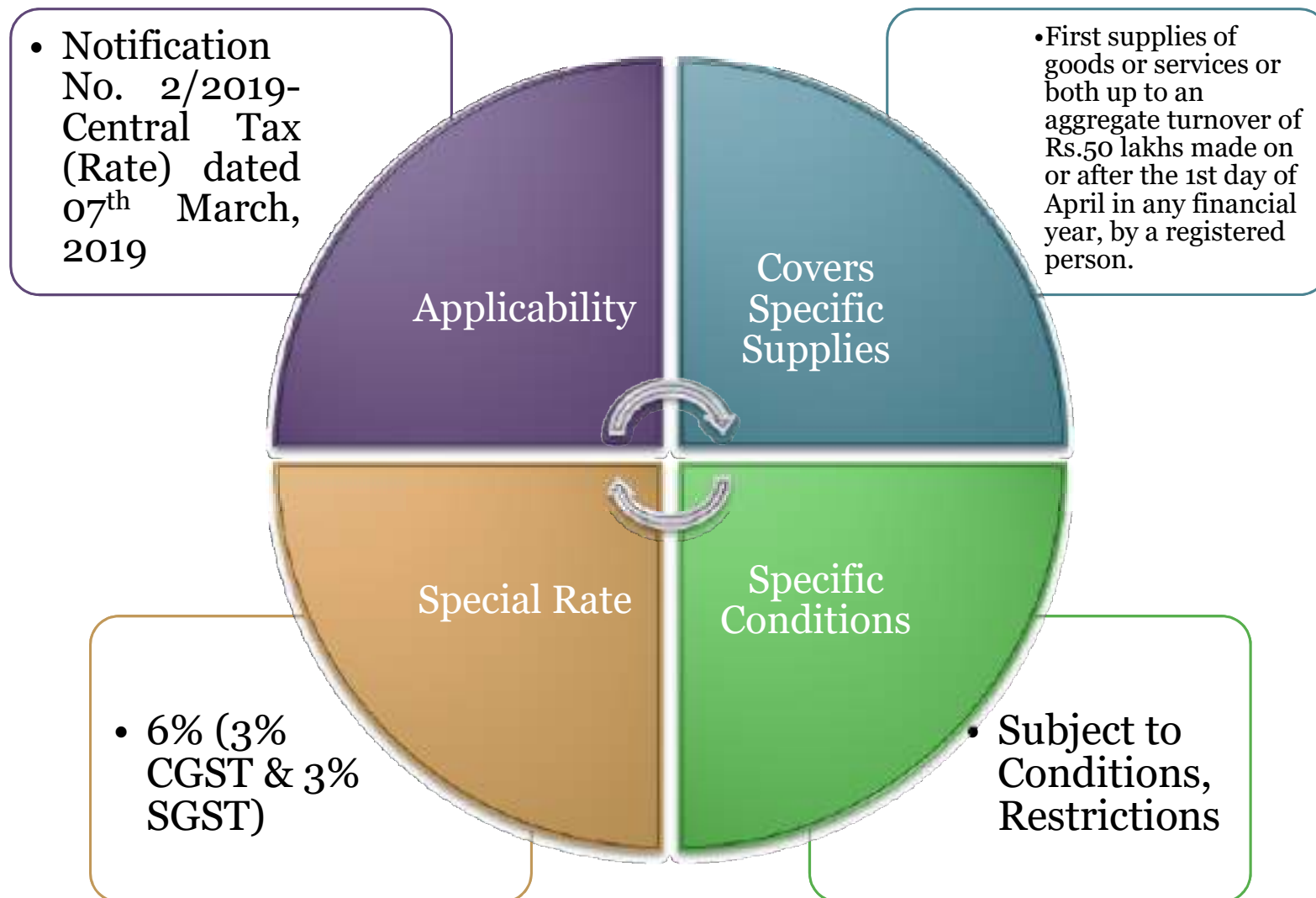
Conditions/ Prescriptions

- Shall not collect tax
- Not entitled to input tax credit
- A manufacturer Ice cream, pan masala, tobacco, specifically barred (Trading allowed)
- A casual taxable person & A non-resident taxable person are ineligible
- All the registrations obtained under a single PAN are also mandated to opt for payment under the composition scheme

Conditions/ Prescriptions

- Every notice or signboard in every registered place of business, displayed at a prominent place, shall carry the words “Composition taxable person”
- Every bill of supply issued by the composition suppliers shall carry the declaration “Composition taxable person, not eligible to collect tax on supplies” on top of the bill;
- RCM on inward supplies
- The composition suppliers will be treated as any other registered supplier with effect from the date on which any of the said conditions cease to be complied with

Special Scheme : Limited Composition Scheme



Conditions

- whose aggregate turnover in the preceding financial year was Rs. 50 lakh or below
- who is not eligible to pay tax under subsection (1) of section 10;
- who is not engaged in making any supply which is not leviable to tax
- who is not engaged in making any inter-State outward supply
- who is neither a casual taxable person nor a non-resident taxable person
- who is not engaged in making any supply
- through an electronic commerce operator who is required to TCS us 52

Important Judgements

Reference of Judgement	Particulars
Vaishno Associates vs. CCE, Jaipur	<p>Assessee classified activity carried out by it under category of 'works contract services' – It claimed benefit of Works Contract Composition Scheme –</p> <p>Adjudicating Authority denied benefit of Composition Scheme on plea that assessee had failed to file any intimation or option to department opting for payment of service tax in respect of works contract under Composition Scheme</p> <p>Whether denial of benefit of Composition Scheme for sole reason for failure to file intimation prior to payment of service tax was justified ?</p> <p>Held, no.</p>

Important Judgements

Reference of Judgement	Particulars
ABL Infrastructure (P.) Ltd. vs. CCE, Customs & Service Tax	<p>Assessee was engaged in providing works contract service - It opted to discharge service tax liability under Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007</p> <p>It did not include value of material supplied by service recipient free of cost in gross value of works contract</p> <p>Whether value of free supply material also be added in gross value of works contract</p> <p>Held, yes</p>

Important Judgements

Reference of Judgement	Particulars
Empathic Trading Centre (GST AAR Karnataka)	<p>Assessee was into composition scheme u/s 10 & into Trading of goods and also Property Renting (Service)</p> <p>Can he opt for Limited Composition Scheme ?</p> <p>Can he pay 1% on Goods and 6% on Services ?</p> <p>Held :</p> <p>Subject to conditions Composition u/s 10 Cant opt for Limited Composition if already covered by composition If Limited Composition then 6% on all supplies and not 1%&6% as requisitioned.</p>