

GST Registration in India – Step-by-step guide

GST (The Goods and Services Tax) is levied on every transaction related to goods or services. This indirect tax has changed many indirect taxes in India such as excise duty, VAT, services tax, etc. The Goods and Service Tax Act was passed in Parliament on 29th March 2017 and came into effect on 1st July 2017.

(GST) is imposed on the supply of goods and services. GST Law in India is a comprehensive, multi-stage, & destination-based tax that is imposed on every value addition. GST is a single domestic indirect tax law for the country in India.

“As of July 2020, the state of Maharashtra housed the largest population of GST taxpayers in India amounting to about 1.56 million in number.”

Source: <https://www.statista.com/>

GST registration applies to all individuals, persons and entities supplying goods or services in India. GST registration becomes mandatory whenever the aggregate value of supply exceeds Rs.20 lakh. The Ministry of Finance (MoF) clarifies the GST registration procedure to ease & as simple as the tax filing process. If the entity manages in a special category state, and GST registration becomes applicable the value exceeds Rs.10 lakh p.a.

Under the GST regime, the tax is imposed at every point of sale. In the case of intra-state sales, Central GST and State GST are charged and all the inter-state sales are chargeable to the Integrated GST.

The GST registration procedure is very simple. The only thing you have to do is to register for GST through the portal. This

article contains important information regarding the GST registration procedure and guidance. There is no doubt that GST is going to impact every business. Read this article carefully and get ready to file GST returns.

The Journey of GST in India

The GST journey started in the year 2000 when a committee was set up to draft the law and it took 17 years from then for the Law to evolve. In the year 2017, the GST Bill was passed in the Lok Sabha and Rajya Sabha. On 1st July 2017, the GST Law came into force.

“Today Odisha has recorded the highest-ever state GST collection of Rs 1,714.78 crore in April this year, registering a 52.20% growth over the year-ago month, a senior official said on Tuesday. The state GST (SGST) mop-up was Rs 1,126.67 crore in the corresponding month last year.”

Source: <https://economictimes.com>

Advantages Of GST

GST has mostly removed the surge effect on the sale of goods and services. Since the GST government eliminated the tax, the cost of goods has decreased.

Also, GST is technologically driven in most of the parts and all the activities like registration, return filing, application for refund and response to the notice required to be done online on the GST portal, which speeds up the processes.

- It makes it easier to file returns.
- You can use an all-inclusive shopping list on the GST website.

- There's no need to keep track of what you bought and when.
- You don't have to remember which items will be subject to GST.

What are the components of GST?

There are three taxes applicable under this system: CGST, SGST & IGST

- CGST: It is the tax collected by the Central Government on an intra-state sale (Example: a transaction happening within Maharashtra or India)
- SGST: It is the tax collected by the state government on an intra-state sale (Example: a transaction happening within Maharashtra or India)
- IGST: It is a tax collected by the Central Government for an inter-state sale (Example: Maharashtra to Kerala)

What are the New Compliances Under GST?

Apart from the online filing of the GST returns, the GST regime has initiated several new systems along with it.

E-way bills:

GST introduced a centralised system of waybills by the start of "E-way bills". This system was begun on 1st April 2018 for inter-state movement of goods and on 15th April 2018 for intra-state movement of goods in a staggered manner.

An e-way bill is a permit required for inter-state and intra-state transportation of goods worth over Rs. 50,000. It contains information of the goods, the consignor, the

recipient and the transporter. It can be electronically generated via the GSTN.

E-invoicing:

The e-invoicing system was made applicable from 1st October 2020 for businesses with an annual mass turnover of more than Rs.500 crore in any previous financial year (from 2017-18).

These businesses must get a unique and different invoice reference number for every business-to-business invoice by uploading it on the GSTN's invoice registration system. The portal verifies the correctness and genuineness of the bill invoice and then authorises using the digital signature as well as a QR code.

e-Invoicing let's are compatible with invoices and help decrease data entry errors it is designed to pass the invoice information directly from the IRP to the GST portal and the e-way bill portal and it will, therefore, eliminate the requirement for manual data entry while filing GSTR-1 and helps in the generation of e-way bills too.

GST Law*: GST Law comprising:

(i) Central Goods and Services Tax Act, 2017 including Central Goods and Services Tax (Extension to Jammu and Kashmir) Act, 2017

(ii) State Goods and Services Tax Act, 2017 as notified by respective States

(iii) Union Territory Goods and Services Tax Act, 2017

(iv) Integrated Goods and Services Tax Act, 2017 including Integrated Goods and Services Tax (Extension to Jammu and Kashmir Act, 2017)

(v) Goods and Services Tax (Compensation to States) Act, 2017 (hereinafter referred to as CGST, SGST, UTGST, IGST and CESS

respectively at the GST portal) and (vi) Rules, Notifications, Amendments and Circulars issued under the respective Acts.

Types of GST Registration

– Normal Taxpayer

This category of GST registration applies to taxpayers managing a business in India. Taxpayers registering for normal taxpayer use do not need a deposit and are also given an unlimited validity date.

– Composition Taxpayer

To register as a Composition Taxpayer, the individual should enrol under the GST Composition Scheme. And the Taxpayers enrolled under the Composition Scheme can pay a flat GST rate. However, the taxpayer would not be allowed to declare the input tax credit.

– Casual Taxable Person

Any taxpayer establishing a stall or seasonal shop shall register under Casual Taxable Person and to register as a casual taxable person, the taxpayer shall pay a deposit equal to the cost of GST liability and the liability should match the active registration periods and the registration remains active for a time period of 3 months.

– Non-Resident Taxable Person

The category non-resident taxable individual applies to individuals located outside of India. The taxpayers should be supplying goods or services to residents in India and to register as a casual taxable person, the taxpayer shall pay a deposit equal to the amount of GST liability and the liability should match the active registration periods and the registration remains active for a period of 3 months.

Types of GST Registration procedures:

- GST Registration for Non-Resident Online Service Provider
- UN Body /Embassy/Other Notified Person
- Special Economic Zone Developer
- Special Economic Zone Unit (SEZ)
- GST TDS Deductor-Government Entities
- GST TCS Collector -E-commerce Companies

Main facts about GST Registration

Some of the main points that you must know about GST registration are;

- GST registration doesn't need any process fees, it is completely free.
- In case businesses don't complete the registration process, 10% of the amount that is due or Rs.10,000 will be levied and in the case of tax evasion, 100% of the cost that is due will be levied as a penalty.
- Businesses having an annual turnover of Rs.20 lakh or more than that must have GST registration.
- Businesses which are running in two different states must have different GST registration numbers.

Who is eligible to register for

GST?

GST Registration should be completed by the following individuals and businesses:

- Individuals who registered under the tax services before the GST law came into effect in India.
- Non-Resident Taxable Person and Casual Taxable Individual who lives in India.
- Individuals who pay tax under the back charge mechanism.
- All e-commerce aggregators.
- The companies that have a turnover that exceeds Rs.40 lakh and 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 of India.
- Individuals or businesses who supply goods through an e-commerce aggregator.
- Individuals giving database access and online details from outside India to people who live in India other than those who are registered taxable persons.

GST Registration Documents List

The following are the documents you will need while filling the GST application:

- Individual PAN card.
- Voter ID/ Aadhar Card of the partner(s) or promoter(s) of the company.

- Company incorporation certificate or partnership deed of the business.
- Address proof of the company (example: rent or lease agreement, electricity bills, etc).
- Digital Signature of individuals.
- Bank account statement of the business or individual.

Step-by-step Guide For GST Registration Process Online

The applicant can process the GST registration procedure via the GST Portal and after submission of the application, the portal generates GST ARN immediately. Using the GST ARN, the applicant can check the application status and post queries if necessary and within 7 days of ARN generation, the taxpayer shall get a GST registration certificate and GSTIN.

GST Registration Process

It is very easy and simple to register for GST through the online GST registration portal.

1. Visit the GST portal.
2. Go to Services tab >> Registration >> New Registration.
3. From the drop-down menu, select 'taxpayer'.
4. Next, select your UT and district from the drop-down menu.
5. Fill out the GST REG-01 form with details, such as the name of the business, email address, PAN card, and mobile number.
6. Verify the information entered by entering the OTP sent on the registered mobile number.

7. After completing this process, move to Part B. You will receive a TRN – Temporary Reference Number, you need to note down the same.

8. Then log in with the TRN and CAPTCHA code.

9. Complete the OTP verification with the OPT and send over the registered email or mobile number and then next, you will be redirected to the registration page.

10. Now, submit all the business details, like company name, PAN, state name, business commencement date, etc and you are also required to mention all the existing registrations.

11. Provide the information of the partners or promoters of the business. In the case of a proprietorship firm, submit the information of the proprietor and also give the personal details, such as designation, DIN, Aadhar number, and PAN.

12. Then submit the details of the person you want to authorise to file GST returns for your company.

13. Add the principal business place, address, contact details, and other information needed.

14. Add information about the additional business places, goods and services details being produced or supplied, and the company bank account details.

15. Upload the soft copies of all the documents on the website.

16. The last step is to click on save and continue and you need to sign the application digitally through DIN and then click on submit details.

After the submission of the application and all the required documents, you will receive an ARN – Application reference Number through SMS or email. You can consider the same for future reference and GST registration fees are completely nil.

It is important to note here that the registration process is totally free.

FAQ's on GST:

Summary

GST (The Goods and Services Tax) is levied on every transaction related to goods or services. GST has mostly removed the surge effect on the sale of goods and services. Since the GST government eliminated the tax, the cost of goods has decreased.

Also, GST is technologically driven in most of the parts and all the activities like registration, return filing, application for refund and response to the notice required to be done online on the GST portal, which speeds up the processes.