

A Presentation
on
GST REGISTRATION FOR START UP

Impact of GST on Start up

GST will bring in “**One nation one tax**” regime.

Analysis of the impact of GST on start ups shows that they will stand to enjoy the following benefits of GST

1. Higher threshold for registration

For sale of goods –

Rs. 40 lakhs – For normal category states

Rs. 20 lakhs – For special category states

For providing services --

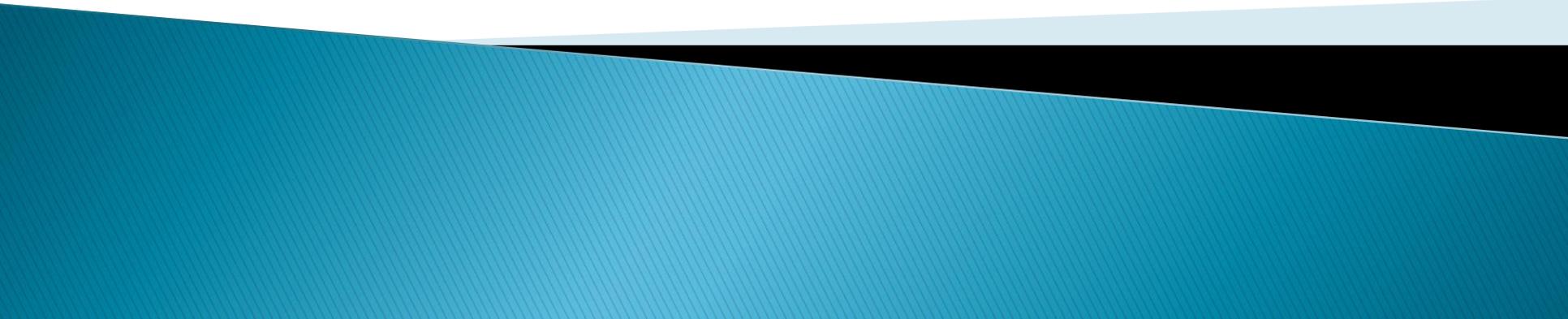
Rs. 20 lakhs – For normal category states

Rs. 10 lakhs – For special category states

Impact of GST on Start up

2. **Input tax credit on purchases** :- Input credit means at the time of paying tax on output, you can reduce the tax you have already paid on inputs. It will result in reduction of costs thus increasing working capital to the already cash-strained startups.
3. **Online simpler procedure under GST** :- The entire GST process starting from registration to filing returns and payment of GST tax is online.
4. **Simpler Taxation** :- The burden of tax compliance is considerably reduced for smaller businesses. Instead of multiple taxes, they pay single tax that is GST
5. **Increased Efficiency in Logistics** :- The logistics industries in India had to maintain multiple warehouses across states to avoid the current CST and state entry taxes on inter-state movement. There have been cases where warehouses have to operate below their capacity thus increasing operating costs. GST will unite India removing restrictions on inter-state movement of goods. This will bring warehouse consolidation across the country.

REGISTRATION



BASIC RULES FOR GST REGISTRATION

- ▶ Taxable event under GST is supply of goods or services
- ▶ **Aggregate turnover in case of supply of goods** > Rs40 Lakhs
 - Special Category States, Aggregate turnover > Rs 20 Lakhs
 - What is Aggregate turnover?
 - ▶ Taxable Supplies + Exempt Supplies + Exports + Inter State Supplies
 - Taxable supplies does not include Alcoholic Liquor for human consumption
 - Will it include turnover on which tax needs to be paid under reverse charge?
 - ▶ Specific exclusion of inward supplies liable under reverse charge basis

Aggregate turnover in case of supply of services > Rs 20 Lakhs

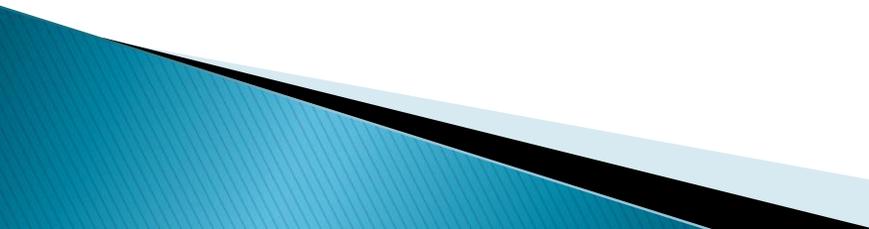
Special Category States, Aggregate turnover > Rs 10 Lakhs

BASIC RULES FOR GST REGISTRATION

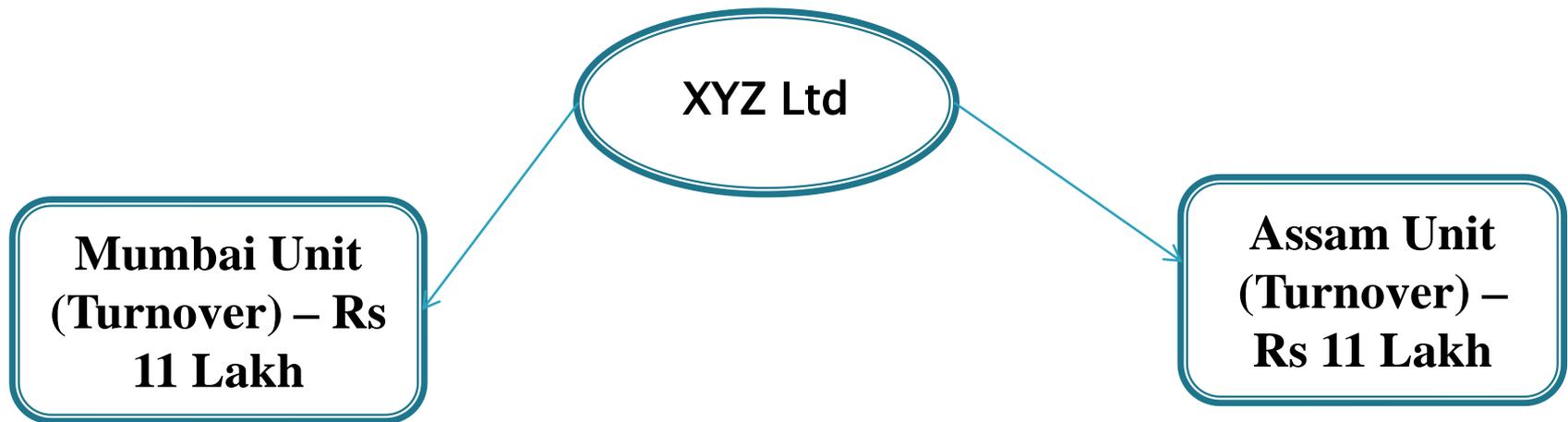
- ▶ Registration is required in the State from which he makes taxable supply.
- ▶ GST is destination based tax, tax goes to the “**destination**” State but registration is in the “**Origin State**”.
- ▶ Person registered / licensed under **erstwhile law** on day immediately preceding the **appointed date**.
- ▶ **Transfer of Business –Transferee to obtain registration in case of**
 - Sale
 - Succession
 - Amalgamation or De-merger

COMPULSORY REGISTRATION

Certain category of persons are required to compulsorily get registered under GST

- ▶ Inter state suppliers
 - ▶ Casual Taxable persons
 - ▶ Persons taxable under the reverse charge basis
 - ▶ Non-resident taxable persons
 - ▶ Persons required to deduct TDS under GST
 - ▶ Persons required to deduct TCS under GST
 - ▶ Input Service Distributors
 - ▶ Persons making a sale on behalf of someone else whether as an Agent or Principal.
 - ▶ Every E-commerce Operator who provides a platform to suppliers to make supply through it.
 - ▶ Suppliers who supply goods through E-commerce operator who is liable to collect tax at source.
 - ▶ Online Service Providers providing service from outside India to a non-registered person in India.
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How the Aggregate Turnover calculated in case of SUPPLY of SERVICES



- ▶ Assam unit is a special category state wherein the registration limit is Rs 10 lakhs.
- ▶ XYZ Ltd required to take registration in Assam Unit due to Aggregate turnover > 10 Lakhs
- ▶ **Now, Whether for Mumbai Unit registration required ?**
- ▶ **Ans.** Even though Aggregate Turnover is < 20 Lakhs, registration would be mandatory for Mumbai Unit by virtue of mandatory registration in Assam

PROCEDURE FOR REGISTRATION - section 25

Procedure for Registration – Sec 25

- Application to be filed online in each State/UT within 30 days.
- Registration in Special cases

Casual Dealer/Non resident	Will have to apply 5 days prior to the commencement of business
Person supplying from territorial waters of India	Shall take registration in coastal state/UT where the nearest point of appropriate baseline is located

- Single registration in a State or Union Territory.

If having a Multiple business verticals in a State or Union Territory may be granted separate registration

Procedure for Registration – Sec 25

- ▶ A person, though not liable to be registered **under section 22 or section 24** may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.
- ▶ A person who have more than **1 registration**, each such registrations, be treated as distinct persons.
- ▶ A person who have take registration in respect of an **establishment** & have more establishments as well then, each such establishments, be treated as establishments of distinct persons.
- ▶ Requirement of **PAN/TAN** (under Sec 51) is mandatory for grant of registration.
- ▶ **NR** may get the registration without PAN & TAN under sub-section (1) as per the prescribed documents.

Documents Required For Registration

- ❖ PAN of the applicant
 - ❖ Aadhar Card
 - ❖ Proof of business registration or Incorporation certificate
 - ❖ Identity and Address proof of Promoters/Director with Photographs
 - ❖ Address proof of the place of business
 - ❖ Bank Account statement/Cancelled cheque
 - ❖ Digital Signature
 - ❖ Letter of Authorization/Board Resolution for Authorized Signatory
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GST REGISTRATION

Application

- Form **GST Reg-01**
- Part A (PAN, e-Mail, Mobile Verification)
- Part B (Other details)
- Ack. Form **GST Reg-02**
- Submit the relevant docs

Verification

- Initial verification within 3 working days
- Clarifications/info required – Form **GST Reg-03**
- Applicant furnish clarifications in Form **GST Reg-04** within next 7 working day

Approval / rejection

- Approval within 3 working days
- If satisfactory clarifications received– approval shall be given in next 7 days
- If clarifications not satisfactory- intimate the rejection in Form GST REG-05
- Deemed registration--No action taken within 3/7 working days

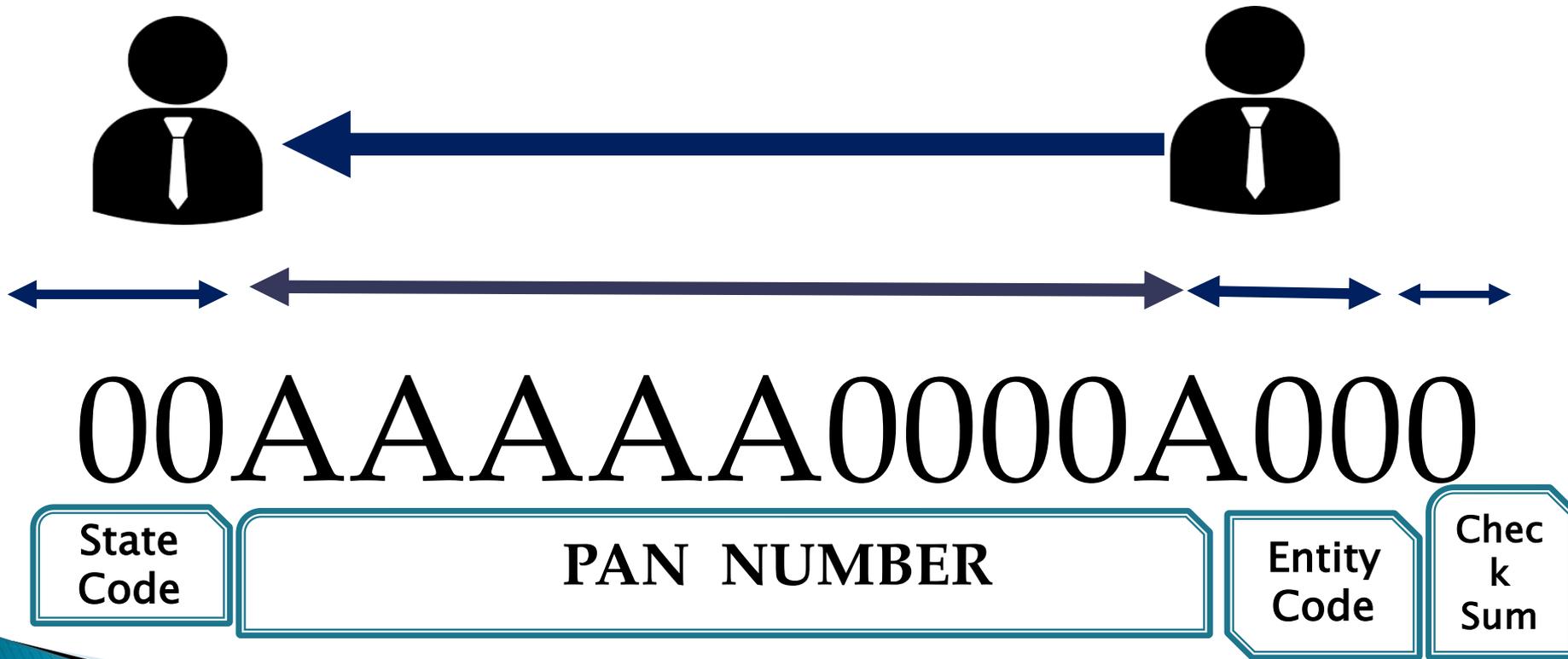
Said process applicable to Inter-state, Voluntary, Casual, Reverse Charge

Registration Certificate is Issued in Form **GST Reg-06**

**17 days
Process**

Rule-10 : Registration Certificate

Certificate in Form GST REG-06 with GSTIN of 15 digit on GST portal



Rule 11 : Registration of Business vertical

- ❖ Any person having a Multiple business verticals in a State or Union Territory requiring separate registrations subject to following conditions:-
 - ❑ More than one business vertical as defined in **clause (18) of section 2**.
 - ❑ Registration of business vertical shall not be granted **u/s 10** if any one of the other business verticals of the same person is paying tax **u/s 9**.
 - ❑ Supply made b/w all separately registered business verticals of same person shall issue a **tax invoice** among themselves for such supply.
- ❖ Separate application form GST REG-01 required for registration of each vertical.
- ❖ Provisions of rule 9 and rule 10 relating to the verification and the grant of registration shall, mutatis mutandis.

Composition Scheme

An option for specified categories of small taxpayers to pay GST at a very low rate on the basis of turnover

Advantages:

- Low rate of tax
- Hassel free simple procedures for such taxpayers
- Simple calculation of tax based on turnover

Turnover limit for opting for the scheme

For Special Category States except Assam, Himachal Pradesh and J&K

₹75 lakhs

For remaining States

₹1.5 crore

Procedure for opting for the Scheme

Category of persons

How to exercise option

Effective date of composition levy

New registration under GST

Intimation in the registration form

From the effective date of registration

Registered person opting for composition levy

Intimation in the prescribed form

Beginning of the financial year

Conditions & restrictions for composition levy

Person opting for composition:

Is neither a casual taxable person nor a non resident taxable person

Shall pay tax under section 9(3)/9(4) on inward supply

Was not engaged in the manufacturing of notified goods

shall mention the words **“composition taxable person not eligible to collect tax on supplies”** at the top of the bill of supply issued by him

shall mention the words **“composition taxable person”** at a prominent place at his business

Rule 12 : Grant of registration to persons required to deduct tax at source or to collect tax at source

Submit application in Form GST REG -07

Certification of Registration issued in GST REG-06 within 3 working days.

Registration Certificate may be cancelled as per Rule 22 by Proper Officer if that person no longer to deduct tax at source under section 51.

Rule 13: Registration of non resident taxable person

-Submit application along with Passport for registration duly signed & verified through electronic mode

In FORM GST REG-09, at least 5 days prior to the commencement of business

Business entity incorporated or established outside India:
Application submitted along with Tax identification number or unique number

- ❑ A temporary reference number by the common portal shall be given only after making an advance deposit

Rule 14 to 17

R-14) Supplier of OIDAR services from Outside India to non- taxable online receiver

Submit application in Form GST REG-10 either directly or via Facilitation Centre

Registration granted in Form GST REG-06

(R-16) Proper officer may register on a temp. basis in FORM REG-12 in case of failure of registration by person

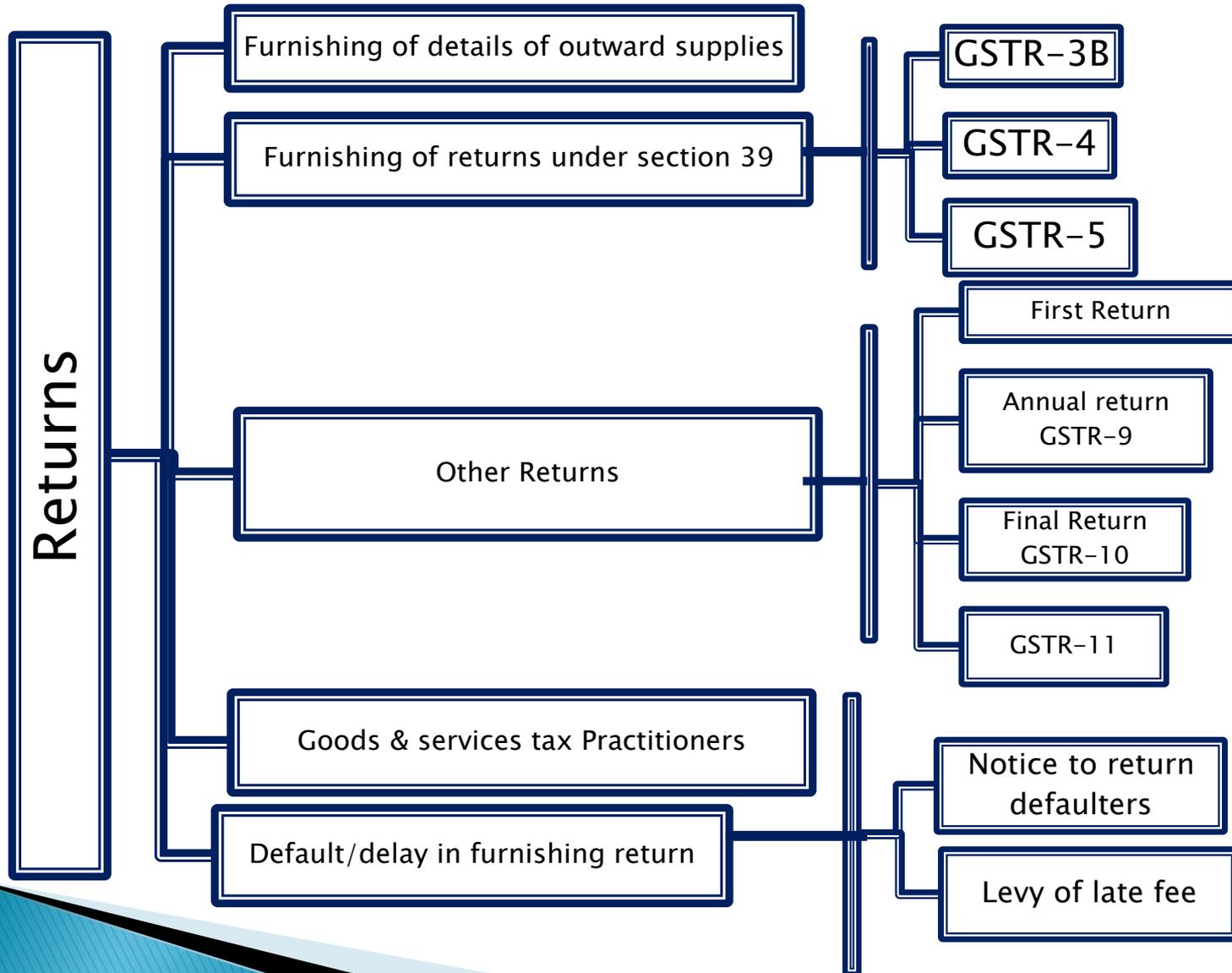
Person granted the Temp registration shall submit application with 90 days

In case of appeal by said person against temp registration, application submit with in 30 days of App Auth. order

(R-17) Person granted UIN submit application elect. in Form- GST REG-13

Proper officer after receiving recommendation from Ministry of External Affairs issue certificate for assign UIN in GST REG-06 within 3 days

Returns



E – Invoice At a Glance

WHY	<ul style="list-style-type: none">▪ To improve business-to-business communication by reducing transcription errors and cost involved;▪ To simplify exchange of documents between suppliers and buyers, just like sending/receiving e-mail;▪ GST reporting will be a lot more easier and indeed a by-product
WHAT IT MEANS	<p>‘e-invoicing’ means reporting details of specified GST documents to a Government-notified portal and obtaining a reference number.</p> <p>It doesn’t mean generation of invoice by a Government portal</p>
TO WHOM APPLICABLE	<p>Taxpayers whose aggregate turnover (based on PAN) in a financial year > Rs 500 Crores</p> <p>Few sectors exempted: SEZ Units, Insurance, Banking [including NBFCs], Goods Transport Agency [transporting goods by road in goods carriage], Passenger Transport Services, Multiplex Cinema Admissions</p>

E – Invoice At a Glance

WHICH SUPPLIES COVERED	GST invoices, Credit Notes and Debit Notes in respect of B2B Supplies & Exports
WHEN	1st October 2020
HOW ABOUT THE PROCESS	<p>Taxpayers will continue to create their GST invoices on their own Accounting/Billing/ERP Systems .</p> <p>These invoices will now be reported to ‘Invoice Registration Portal (IRP)’</p> <p>On reporting, IRP returns signed e–invoice with unique ‘Invoice Reference Number (IRN)’ along with a QR Code.</p> <p>Then, the invoice can be issued to receiver (with QR Code).</p> <p>A GST invoice will be valid only with a valid IRN.</p>

Thank you



Shall we welcome.....GSS