

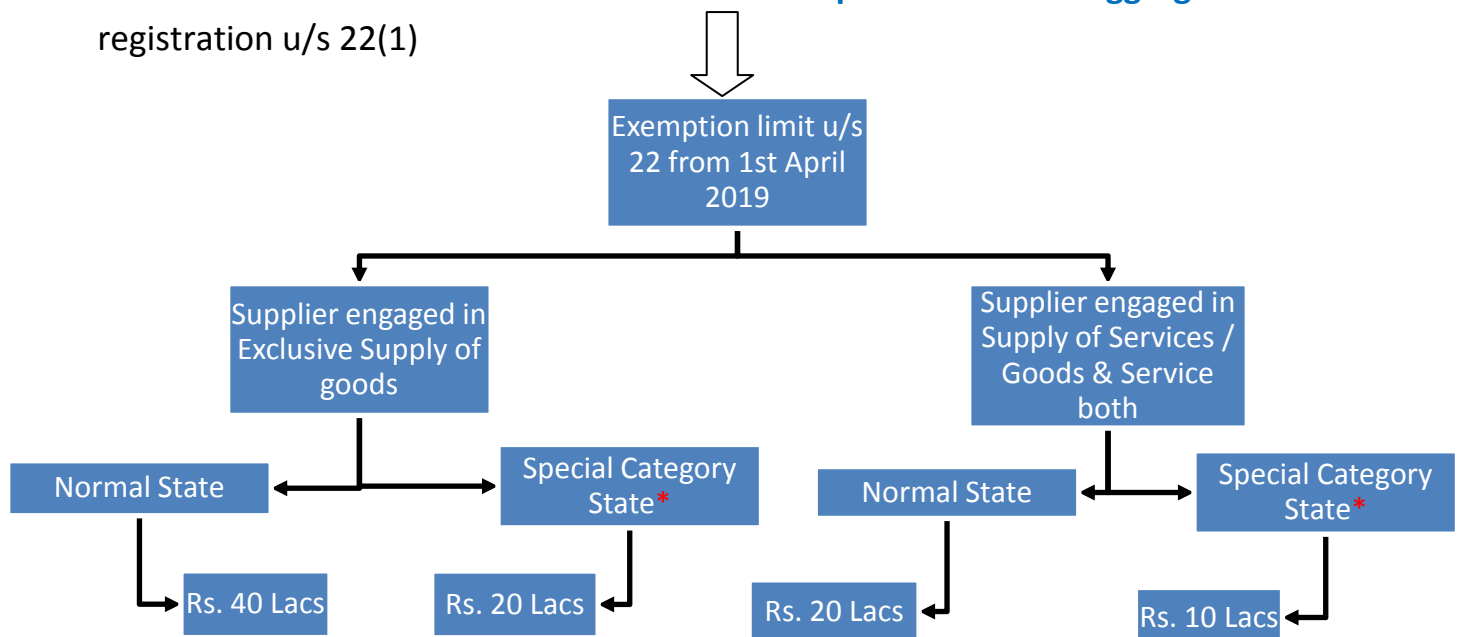
Who has to get GST Registration compulsorily ?

➤ For the better understanding of this article we will take reference of three Important provisions of Central Goods and Service Tax ACT, 2017 :

- 1) Section 22 - Person Liable for Registration
- 2) Section 23 - Person not Liable for Registration
- 3) Section 24 - Compulsory Registration in certain cases

➤ As per Section 24 of CGST Act 2017, certain categories of persons shall be compulsorily required to be registered under GST Act, even if their aggregate turnover is below specified exemption limit and are exempted from GST Registration u/s 22(1)

So First we will see what are the **Basic Exemption limits** of **Aggregate Turnover**** for registration u/s 22(1)



*Special Category States are (1) Arunachal Pradesh (2) Assam (3) Jammu & Kashmir (4) Manipur (5) Meghalaya (6) Mizoram (7) Nagaland (8) Sikkim (9) Tripura (10) Himachal Pradesh (11) Uttarkhand

**Aggregate Turnover means

Taxable Supplies + Exempt Supplies + Export of Goods and Services - Central tax - State tax - Union territory Tax - Integrated tax - cess

(The Turnover shall be calculated on all India basis)

➤ **Categories of persons who are required to obtain compulsory registration irrespective of their quantum of turnover** are stated in as above, **Section 24 of CGST Act**, listed herein below :

1. The person engaged in the **inter-state taxable** supply of goods or services or both; **(Note 1)**
2. A casual taxable person engaged in taxable supply; **(Note 2)**
3. Persons liable to pay tax under reverse charge mechanism; **(Note 3)**
4. A non-resident taxable person engaged in providing taxable supply;
5. A person liable to pay tax under section 9 (5) of the Act; **(Note 4)**

6. The person liable to deduct tax at source (TDS) under GST Act;
7. Input Service Distributor;
8. E-commerce operator who is required to collect tax at source u/s 52 ;
9. A person engaged in supplying goods or services or both through e-commerce operator other than supplies specified under Sub Section 5 of Section 9 who is required to collect tax at source (TCS); **(Note 4)**
10. The person engaged in supplying online information and database access or retrieval services from a place outside India to an unregistered person;
11. Persons engaged in the taxable supply of goods or services or both on behalf of another registered taxable person, whether as an agent or otherwise.

Important points to be noted for above list:

Note 1: - The persons engaged in making **inter-state supplies of taxable services** and having an aggregate turnover of less than INR 20 Lacs or INR 10 Lacs in case of special category states, in a financial year, are not liable to take compulsory Registration.

- Persons making **inter-state taxable supplies of notified goods** and having an aggregate turnover of up to INR 20 Lacs or INR 10 Lacs i.e. **handicraft goods, notified products made by the craftsmen**, are exempted from obtaining compulsory registration.

Note 2: Casual taxable persons making **inter-state taxable supplies of notified goods** and having an aggregate turnover of up to INR 20 Lacs or INR 10 Lacs i.e. handicraft goods, notified products made by the craftsmen, is not liable to take compulsory Registration, are exempted from obtaining compulsory registration.

Note 3: Persons making only reverse charge supplies, the tax on receipt of goods or services is liable to be paid on reverse charge basis by the recipient, otherwise suppliers are exempted from obtaining registration.

Note 4: Person supplying goods through an ecommerce operator shall be **mandatorily required to register** irrespective of the value of supply made by him. **However**, a **person supplying services**, other than supplier of services under section 9 (5) of the CGST Act, 2017, through an e-commerce platform are exempted from obtaining compulsory registration provided their aggregate turnover does not exceed INR 20 lacs (or INR 10 lacs in case of specified special category States) in a financial year.

➤ **Section 23 of CGST Act - Person not Liable for Registration**

Notwithstanding anything contained in of Section 22 and 24, following person shall not be liable to registration :

1. Persons engaged **exclusively in the business** of supplying goods or services or both which are **not liable to tax** or **wholly exempt from tax** under this Act or under the Integrated Goods and Services Tax Act;
2. An **agriculturist**, to the extent of supply of produce out of cultivation of land.