Reverse Charge and GST Registration

<u>Reverse Charge u/s.9(3) and 9(4).</u>

A **Registered Person** Received a **Taxable** Goods or Services or Both from a **Unregistered Person u/s.9(4)** or **Government Notified Person u/s.9(3)**, he will be liable to pay tax on the Goods or Services or Both to the Government as if he is the Supplier of the Goods or Services or Both and the entire **CGST Act** shall apply to him as if he is the Supplier of the **Goods or Services or Both**.

<u>GST Registration</u>

Section.22 (1) of the CSGT Act (Persons Liable for Registration):- Every Person shall be liable to be registered under this Act in the State from where he makes a **Taxable Supply** of Goods or Services or Both, if his **Aggregate Turnover** in a financial year exceeds **Twenty Lakh Rupees**.

Explanation for the purpose of this Section: - The Expression **Aggregate Turnover** shall include all supplies made by the taxable person, whether on his account or made on behalf of all his principals.

Section 24 of the CGST Act (Compulsory Registration) starts with "Non-Obstante Clause" and states that: - **Notwithstanding** anything contained in **sub-section (1) of section 22**, the following categories of persons shall be required to be registered under this Act,–

(i) Persons making any **Inter-State** Taxable Supply;
(ii) **Casual Taxable Persons** making Taxable Supply;
(iii) Persons who are required to pay tax under **Reverse Charge**;

Section 23 of the CGST Act (Persons not Liable for Registration):-

1. It provides that the following persons shall not be liable to registration, namely –

    (a) Any person engaged exclusively in the business of supplying Goods or Services or Both, that are **Not Liable to Tax or Wholly Exempt** from tax under this Act or under the Integrated Goods and Services Tax Act;

    (b) An **Agriculturist**, to the extent of supply of produce out of cultivation of land.

2. The **Government** may, on the recommendations of the **Council**, by notification, specify the category of persons who may be exempted from obtaining registration under this Act.

"Supply of definition & Furtherance of business is important aspects in GST"

Simple Accounting Rules
Journal Entry

"What comes in (By) Debit
What goes out (To) Credit"