



Persons notified as exempt from registration under GST



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Section 23(2) empowers the Government to issue a notification specifying the categories of persons who may be exempted from obtaining registration under the GST law. Multiple notifications have been issued from time to time exempting various category of persons from registration.

Persons exclusively making supplies taxable under reverse charge under Section 9(3)

Vide Notification no. 5/2017-Central tax dated 19th June 2017, persons exclusively making taxable supplies on which tax is liable to be paid by the recipient on reverse charge under Section 9(3) of the CGST Act, 2017 have been exempted from registration. For instance, Goods transport agency, advocates etc. upon making of supplies will not have to register if their outward supplies are completely liable under reverse charge mechanism u/s 9(3). It should be noted that this exemption is applicable only when the outward supplies are exclusively under reverse charge mechanism. So, even if a part of the supplies are liable to tax under normal charge, then the person making supplies need to register themselves provided the threshold limit for registration gets exceeded.

Casual taxable persons making supplies / Persons making inter state supplies of handicraft goods

A person making inter state taxable supplies of goods need to mandatorily register himself under GST. Similarly, a person making taxable supplies in a state wherein he does not any fixed place of business needs to compulsorily register himself without any threshold limit. These two clauses were causing huge hardships to the handicraft industry. In this industry, a person commonly organizes exhibitions in other states to sell his handicraft items and also regularly makes taxable supplies of such items in

other states. Since this industry is largely unorganized and has a number of small players, it was difficult for them to comply with the provisions of the GST law. To bolster this industry, the Government exempted these persons from obtaining registration under GST if they do not exceed the threshold limit for registration vide Notification no. 32/2017-CT and Notification no. 9/2017-IT dated 15th September 2017 along with Notification no. 38/2017-CT and Notification no. 9/2017-IT dated 13th October 2017.

Sl No.	Products	HSN Code
(1)	(2)	(3)
1.	Leather articles (including bags, purses, saddlery, harness, garments)	4201, 4202, 4203
2.	Carved wood products (including boxes, inlay work, cases, casks)	4415, 4416
3.	Carved wood products (including table and kitchenware)	4419
4.	Carved wood products	4420
5.	Wood turning and lacquer ware	4421
6.	Bamboo products [decorative and utility items]	46
7.	Grass, leaf and reed and fibre products, mats, pouches, wallets	4601, 4602
8.	Paper mache articles	4823
9.	Textile (handloom products), Handmade shawls, stoles and scarves	including 50, 58, 61, 62, 63
10.	Textiles hand printing	50, 52, 54
11.	Zari thread	5605
12.	Carpet, rugs and durries	57

13.	Textiles hand embroidery	58
14.	Theatre costumes	61, 62, 63
15.	Coir products (including mats, mattresses)	5705, 9404
16.	Leather footwear	6403, 6405
17.	Carved stone products (including statues, statuettes, figures of animals, writing sets, ashtray, candle stand)	6802
18.	Stones inlay work	68
19.	Pottery and clay products, including terracotta	6901, 6909, 6911, 6912, 6913, 6914
20.	Metal table and kitchen ware (copper, brass ware)	7418
21.	Metal statues, images/statues vases, urns and crosses of the type used for decoration of metals of chapters 73 and 74	8306
22.	Metal bidriware	8306
23.	Musical instruments	92
24.	Horn and bone products	96
25.	Conch shell crafts	96
26.	Bamboo furniture, cane/Rattan furniture	
27.	Dolls and toys	9503
28.	Folk paintings, madhubani, patchitra, Rajasthani miniature	97
29.	Chain Stitch	Any chapter
30.	Crewel, Namda, Gabba	Any chapter
31.	Willer willow products	Any chapter
32.	Toran	Any chapter
33.	Articles made of shola	Any chapter

The threshold limit for registration will still apply to them as per Section 22 of the CGST Act, 2017. This means that they need to register themselves if the aggregate turnover computed on all India basis exceeds Rs. 20 lakhs in a financial year in case of supply within non special category states. This limit reduces to Rs. 10 lakhs in a financial year for supply within special category states.

However, these persons have been mandated to obtain Permanent Account number and generate e waybill without any threshold limit. This has been ensured to keep a track of movement of these goods and avoid any unauthorized movement without proper recognition in the books of accounts of the assessee.

Job workers making interstate supply of services

In India, quite a large number of manufacturing processes are outsourced to a job worker. These job workers are largely unorganized and mostly belong to the SME segment. To ease out the compliance burden for them, the Central Government vide Notification no. 7/2017-IT dated 14th September 2017 exempted job workers from obtaining registration under GST even if they are making inter state taxable supply of services. However, this exemption from registration will not apply if they exceed the threshold limit for registration under Section 22(1) or they had opted for registration voluntarily. Also, this exemption will not be applicable to job workers if they are providing services in relation to jewellery, goldsmiths' and silversmiths' wares and other articles.

Persons making interstate taxable supply of services

Under the service tax regime, only if a person exceeded the threshold limit of Rs.9 lakhs in a financial year, he had to register himself. Under the GST regime, as per section 24, every person making inter state taxable supply has to register without any threshold limit. As a result, a number of persons providing services from SME segment got covered within the ambit of registration under GST even though they were not liable to do under Service tax regime. To ease the compliance burden, the Government stated vide Notification no. 10/2017-IT dated 13th October 2017 that any person making inter state taxable supply of services will not be liable to register under

GST provided the threshold limit for registration under Section 22(1) is not exceeded. This means that a service provider can provide services anywhere without having to register himself if his turnover is below Rs 20 lakhs in a non special category state/ Rs. 10 lakhs in a Special Category state.

Persons making intra state supply of services except through e-commerce platform

To provide relief to small service providers who have intra state supply of services, the Government vide Notification no. 65/2017-Central tax dated 15th November 2017 has exempted them from registration if they do not exceed the threshold limit as per Section 22(1) of the CGST Act 2017 even if they otherwise would have required compulsory registration u/s 24.

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