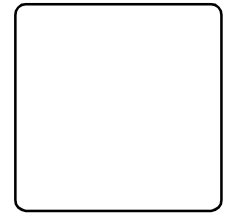


DOCUMENTATION FOR GST APPLICATION



Notes

The GST regime provides a single platform to businesses for all procedures of compliance and administration under a single authority. The regime provides a single number – Goods and Service Tax Identification Number, in place of multiple numbers for VAT, Tax, Service Tax, etc. for a single business. GSTIN is public information.

GSTIN of a person can be identified based on their Permanent Account Number (PAN). Goods & Service Tax Identification Number (GSTIN) is a state-specific unique number based on PAN. GSTIN is a 15 digits registration number consisting of state code, PAN, entity code, and the check digit. GSTIN of a person can be identified based on their Permanent Account Number (PAN). UIN stands for Unique Identification Number, a special class of GST registration for foreign diplomatic missions and embassies that are not liable to taxes in the Indian territory.



LEARNING OUTCOMES

After reading this lesson the learner-

- enumerates the need for GSTIN;
- emphasises the importance of acquiring a PAN;
- uses the correct procedure to apply for PAN;
- differentiates between UIN and GSTIN.

21.1 GSTIN – MEANING, NEED & RELEVANCE

GSTIN stands for Goods and Services Tax Identification Number. It is issued to everyone who registers for GST. It is a one-of-a-kind 15-digit alphanumeric identifying

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number. The Tax Identification Number, or TIN of earlier registrations has now been substituted by the GSTIN. This enables the Tax officials to keep track of GST payments and outstanding records for individuals enrolled under the GST Act, using this number.

Anyone whose business involves the intrastate movement or supply of goods with a turnover of Rs.20 Lakh (the range varies between 10 to 40 lakhs from state to state) must obtain GST registration. As a result, such individuals must have a thorough understanding of the paperwork necessary for GST registration.

GST Registration Process is a simple 2-stage process including generation of a Temporary Reference Number (TRN) and an Application Reference Number (ARN). Once GST registration is complete, a unique GST number i.e. GSTIN and GST registration certificate are issued.

21.2 DOCUMENTS REQUIRED FOR GSTIN REGISTRATION

- PAN card for the corporation (only in case of company)
- Corporate Affairs Ministry Certificate of Incorporation / Proof of Corporate Structure Articles of Association / Memorandum of Association (only in case of company)
- PAN card and Aadhaar card of the authorized signatory. Even if a foreign firm or branch is registered in India, the authorized signatory must be a resident of India.
- All directors of the company must have a PAN card and evidence of address (partners in case of firm)
- Photographs are taken of all directors and authorized signatures (Maximum size 100 kb in JPEG format)
- Board resolution naming an authorized signatory / Any other proof of appointment of an authorized signatory (JPEG/PDF format, maximum size 100 kb)
- Bank account details
- Address proof of your place of business

21.3 STRUCTURE OF GSTIN

The unique structure of GSTIN can be explained as below -

1. **First Two Digits** – The first two characters of a GSTIN indicate the individual's state code as it is registered under the GST Act. Each state has its own code,

and the first two numbers of the GSTIN are allocated accordingly. The state code is taken from the Indian Census of 2011. For example, the state code of Delhi is 07 and for Bihar, it is 10.

2. **Next 10 digits** - It is abbreviated as a “Permanent Account Number” (PAN). A person who pays GST under the GST Act’s PAN is the ten numbers after the state code, which corresponds to the third to twelfth characters of a GSTIN. This number indicates the number of registrations done by an entity in a state with the same PAN. A total of 35 registrations are allowed in such cases. This is an alphanumeric code. For first 9 registrations, codes from 1 to 9 are given and after that, alphabets are assigned. For example, if it is the first registration for a specific PAN, the code is 1 and if it is the tenth registration, the code assigned is A.
3. **Thirteenth digit** - The digit at 13th place of the GSTIN is the entity or registration number of the person whose PAN number is preceded by GSTIN, i.e., the person who pays GST Act taxes. The amount is based on the number of registrations in the taxpayer’s state of residence.
4. **Fourteenth digit** - For all persons registered under the GST Act, the 14th or penultimate digit in the GSTIN is always the letter “Z.”
5. **Last digit** - The GSTIN’s last digit is a check code, which might be an alphabet or a number.

Example of a GSTIN is 22AAAAA0000A1Z5 wherein “22” is the state code for a state, ‘AAAAA0000A’ is the example of a PAN, ‘1’ is the entity or the registration number, ‘Z’ is a constantly used character in GSTIN and finally ‘5’ is the check code which has been denoted by a numerical in the given example.

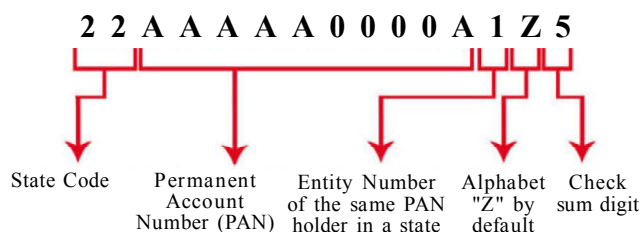


Fig. 21.1: Decoding GSTIN

21.4 ADVANTAGES OF GSTIN

It is important to obtain GSTIN i.e. complete GST registration for the following reasons:

- To get legal recognition as a supplier of goods and/or services
- To claim Input Tax Credit under the GST ITC mechanism



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- To legally collect tax (GST) from the buyers of goods/services
- To ensure proper accounting and payment of GST to tax authorities

A warning to customers- it is advisable to verify and validate GSTIN in order to avoid GSTIN manipulation and misuse. All information regarding - whether GST Returns are filed for the appropriate tax period, transparency in corporate transactions and Input Tax Credit can be obtained.

21.5 HOW TO OBTAIN GSTIN?

Obtaining GSTIN is a part of GST registration process. If you meet the following annual turnover limits, you are mandatorily required to register under GST and obtain a GSTIN.

State Categories under GST	For Sale of Goods	For Providing Services
Normal Category States	Annual Turnover of Rs. 40 lakh or more	Annual Turnover of Rs. 20 lakh or more
Special Category States	Annual Turnover of Rs. 20 lakh or more	Annual Turnover of Rs. 10 lakh or more

The form for GST registration comprises 2 parts – A and B. Once you complete both Part A and Part B of the GST registration form, a GST official validates your application. If approved, a unique GSTIN and a GST registration certificate are issued.

GSTIN vs GSTN

Do not get confused between GSTIN and GSTN. Although they are abbreviated similarly, they are completely different.

Comparison Criteria	GSTIN	GSTN
Full Form	GST Identification Number	GST Network
What is it?	A unique 15-digit Tax Identification Number under the GST regime.	A non-profit organization partly held by government to provide IT infrastructure to Central and State governments, taxpayers and other stakeholders.

What is it used for?	To recognize GST registered taxpayers as legal suppliers of goods and services.	Used by Government of India to track GST and eWay bill statistics.
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INTEXT QUESTIONS 21.1

1. How is GST registration done?
2. Explain the structure of GST number.
3. Give the benefits of GSTIN.

21.6 HOW TO KNOW AND CHECK GSTIN?

The GSTIN is included on the GST certificate that a taxpayer obtains after registering under the GST Act. This can be validated by entering the GSTIN into the government portal. GSTIN information is available to the public and, hence, easily verified through the government portal.

If you want to know your GSTIN, you can also find it by entering your PAN in the government portal - <https://services.gst.gov.in/services/searchtp>

21.7 MISUSE OF GSTIN

GSTIN can be misused by suppliers to manipulate customers. Basic instances of misuse of GSTIN are:

- The supplier can use fake GSTIN ID to evade paying taxes to the government.
- There can be fake inward invoices created by a supplier to balance the amount of tax liability. These invoices would be created even without actually supplying goods to anyone.

Therefore, it is better to check and verify GSTIN to avoid manipulation and misuse of GSTIN. In addition, GSTIN seeks to maintain transparency in business transactions and attempts to ensure that genuine GST Returns are filed for the particular tax period. GSTIN verification is also advantageous as Input Tax Credit can be claimed when proper GSTIN is used.

When Gstin Is Used To Do A Search

Search Result based on GSTIN/UIN : 09AFLPT8388J3Z9



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Legal Name of Business	Trade Name	Centre Jurisdiction
Abhishek Tyagi	Saawariya Clothing	Range-9 (Jurisdictional Office)
State Jurisdiction	Date of registration	Constitution of Business
Ghaziabad Modi Nagar	22/08/2017	Proprietorship
Taxpayer Type	GSTIN/UIN Status	Date of Cancellation
Regular	Active	
Field visit Conducted?		
No		

21.8 PAN - HOW TO APPLY

PAN or Permanent Account Number is an identification number given to all taxpayers in India. PAN is an electronic system through which all tax related information of the person or company holding the PAN can be accessed. It, therefore, serves as a storage of information about the citizens of India that can be shared across the country. Every individual is given a unique PAN number.

Pan Card Overview:

Name Of Authority issuing PAN	Income Tax Department, Govt. of India
PAN Customer Care Number	020 - 27218080
Inception of PAN Card	1972
Validity Of PAN Card	Life Time
Cost of PAN Card	Rs. 110
Number Of Enrolments	25 crore (approximate)

TYPES OF PAN CARDS:

1. Individual
2. HUF - Hindu Undivided Family
3. Company
4. Firms/Partnerships
5. Trusts
6. Society

7. Foreigners

Documents for PAN

PAN requires two types of documents.

1. Proof of address (POA) and
2. Proof of Identity (POI).

Any two of the following documents should meet the criteria

Individual Applicant	POI/ POA- Aadhaar, Passport, Voter ID, Driving Licence
Hindu Undivided Family	An affidavit of the HUF issued by the head of HUF along with POI/POA details
Company registered in India	Certificate of Registration issued by Registrar of Companies
Firms/ Partnership (LLP)	Certificate of Registration issued by the Registrar of Firms/ Limited Liability Partnerships and Partnership Deed.
Trust	Copy of Trust Deed or a copy of the Certificate of Registration Number issued by a Charity Commissioner.
Society	Certificate of Registration Number from Registrar of Co-operative Society or Charity Commissioner
Foreigners	Passport PIO/ OCI card issued by the Indian Government Bank statement of the residential country Copy of NRE bank statement in India

The Cost of PAN Card

The cost of getting a PAN card made is Rs. 110 or Rs. 1,020 (approximately) if PAN card is to be dispatched outside India.

21.9 HOW TO ENROL FOR PAN

PAN Card enrolment can be done both ways - Online or Offline. The process involves just 3 simple steps:

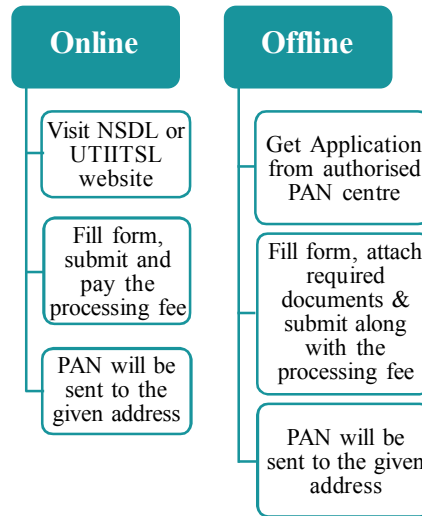


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What to do if the PAN card gets lost?

If your PAN card is lost, then you need to apply for a duplicate PAN Card online or offline.

1. Login on to NSDL or UTITSL website,
2. Fill the form 49-A for Indian citizen or Form 49-AA in case of a foreigner and make the payment online for a duplicate copy of your PAN card.
3. The PAN will be dispatched within 45 days.

Structure of PAN Card



PAN card contains information about the individual such as identity, age proof, and is aligned with the guidelines laid down for the Know Your Customers (KYC). The PAN Card details are as follows:

- Name of the cardholder - Individual/Company
- Name of the father of the Cardholder - Applicable for only Individual cardholders
- Date of Birth - For Individual: date of Birth; For Company: registration number of company



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- PAN Number - It is the 10 digit alpha-numeric number and each character represents distinct information of the Cardholder
- First three letters - are alphanumeric in nature and contain three letters of the alphabet from A to Z.
- The fourth letter - this represents the category of the taxpayer. The different entities and their respective characters are as follows:
 1. A - Association of Persons
 2. B - Body of Individuals
 3. C - Company
 4. F - Firms
 5. G - Government
 6. H - Hindu Undivided Family
 7. L - Local Authority
 8. J - Artificial Judicial Person
 9. P - Individual
 10. T - Association of Persons for a Trust
- The fifth letter - is the first letter of the Individual's surname
- Remaining letters - are just random where the first 4 characters are numbers and the last one is an alphabet.
- Signature of the Individual - PAN Card carries the signature of the holder and can act as a Proof of Identity for all financial transactions.
- Photograph of the Individual - For Individuals: a photograph is a must but for Companies: no photo is required.

21.10 WHAT IS THE NEED FOR A PAN CARD?

Since PAN Card is a unique identifying number, it is a necessary document which enables each taxpayer in India with the following:

- Proof of Identity
- Proof of Address
- Mandatory for Filing Taxes
- Registration of Business
- Financial transactions

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- Eligibility to open and operate Bank Accounts
- Phone Connection
- Gas Connection
- Mutual Fund - PAN is beneficial to complete e-KYC for mutual fund investments.

What is PAN for e-KYC (Know Your Customer)-

PAN to Aadhar linking is mandatory for e-KYC to avail services and benefits from the above listed service providers. PAN for e-KYC has huge benefits for the end-user and government as well. Here's why:

- Paperless- The e-KYC process is paperless enabling a service provider do manage documents easily and efficiently.
- Quick - PAN card holder can share information with a service provider through a secure channel within minutes, thus eliminating long waiting periods that physical documents would normally require.
- Secure - Information shared between user and service provider is tamper-proof, thereby protecting the holder's information. These documents cannot be forged, neither can it be used without consent of both the service provider or the PAN card holder.
- Authorised - Information shared by e-KYC contains authenticated data making it legal and acceptable for the parties involved in the transaction.
- Cost Friendly - The entire system is paperless and online eliminating physical movement of information making it a cost-effective and time-saving process.

Example: A video giving step by step method for applying for PAN Card (<https://www.youtube.com/watch?v=ngmWUzTMb0g>)



INTEXT QUESTIONS 21.2

1. Write a short note on PAN.
2. What the types of PAN in India?
3. What information can be seen on a PAN card?

21.11 UIN - MEANING & IMPORTANCE

UIN stands for Unique Identification Number, it is a special class of GST registration for foreign diplomatic missions and embassies that are not liable to taxes in the Indian

territory. Any amount of tax (direct or indirect) collected from such bodies is refunded back to them.

Who can apply for UIN under the GST?

The following can apply for UIN:

- A specialized agency of the United Nations Organization (UNO)
- A Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947
- Consulate or embassy of foreign countries
- Any other person or class of persons as notified by the commissioner

UIN allows them to receive tax refund on all their purchases.

What is the difference between UIN & GSTIN?

UIN and GSTIN are two different types of identification numbers under GST. Goods and Services Tax Identification Number (GSTIN) is allotted to regular taxpayers who are required to collect GST and file GST returns. In contrast, UIN is allotted to only the organizations mentioned above.

How to register as a UIN?

To apply for UIN the GST REG- 13 form needs to be filled up. After scrutiny a certificate is issued with a UIN in Form GST REG-06 within three working days from the date of the submission of the application

After this process is complete then every UIN holder must file GSTR-11 by the 28th of next month to claim a refund of the taxes paid on the purchases made, the details/information is auto-populated from the seller's GSTR-1 (sales).

The supplier/seller, who is registered taxpayer under GST, dealing with a UIN holder must ensure to: 1. Mention the UIN on the invoices 2. Treat such sales as supplies to another registered person (B2B)



INTEXT QUESTIONS 21.3

1. What is UIN?
2. Who can apply for UIN?
3. What is the difference between UIN and GSTIN?



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WHAT YOU HAVE LEARNT

The details of GSTIN/PAN

Format of GSTIN

12	AAAAA0000A	1	Z	5
↓	↓	↓	↓	↓
State Code of india (02 digit) numeric	Permanent account number (PAN) of manufacturer/ traders/exporters/dealer (10 digit) alpha numeric	Entity number of the same PAN holder N the state (10 digit) numeric	Default 'Z' (I digit) alphabet	Check sum (I digit) numeric



TERMINAL EXERCISE

1. Bring out the importance of the GSTIN regime, giving the features and how to obtain one.
2. Why a PAN card necessary for every individual citizen of India?
3. Why is there need for a separate UIN for people living in India?
4. Give a comparison of GSTIN and UIN.



ANSWERS TO INTEXT QUESTIONS

21.1

- A1. GST Registration Process is a simple 2-stage process including generation of a Temporary Reference Number (TRN) and an Application Reference Number (ARN). Once GST registration is complete, a unique GST number i.e. GSTIN and GST registration certificate are issued.
- A2. The unique structure of GSTIN can be explained as below -
 1. First Two Digits -indicate the individual's state code - the state code of Delhi is 07
 2. Next 10 digits - It is abbreviated as a "Permanent Account Number" (PAN). A

3. Thirteenth digit - the entity or registration number of the person who pays GST Act taxes.
4. Fourteenth digit - is always the letter "Z."
5. Last digit - is a check code, which might be an alphabet or a number.

A3. It is important to obtain GSTIN due to the following reasons:

- ❖ To get legal recognition as a supplier of goods and/or services
- ❖ To claim Input Tax Credit under the GST ITC mechanism
- ❖ To legally collect tax (GST) from the buyers of goods/services

To ensure proper accounting and payment of GST to tax authorities

21.2

A1. PAN or Permanent Account Number is an identification number given to all taxpayers in India. PAN is an electronic system through which all tax related information of the person or company holding the PAN can be accessed. It, therefore, serves as a storage of information about the citizens of India that can be shared across the country. Every individual is given a unique PAN number.

A2. The types are -

1. HUF- Hindu Undivided Family
2. Company
3. Firms/Partnerships
4. Trusts
5. Society
6. Foreigners

A3. The PAN Card details are as follows:

1. Name of the cardholder - Individual/Company
2. Name of the father of the Cardholder - Applicable for only Individual cardholders
3. Date of Birth - For Individual: date of Birth; For Company: registration number of company
4. PAN Number - It is the 10 digit alpha-numeric number and each character represents distinct information of the Cardholder
 - ❖ First three letters - are alphanumeric in nature and contain three letters of the alphabet from A to Z.



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- ❖ The fourth letter - this represents the category of the taxpayer. The different entities and their respective characters are as follows:

- A - Association of Persons
- B - Body of Individuals
- C - Company
- F - Firms
- G - Government
- H - Hindu Undivided Family
- L - Local Authority
- J - Artificial Judicial Person
- P - Individual
- T - Association of Persons for a Trust

- ❖ The fifth letter - is the first letter of the Individual's surname
- ❖ Remaining letters - are just random where the first 4 characters are numbers and the last one is an alphabet.
- ❖ Signature of the Individual - can act as a Proof of Identity for all financial transactions.
- ❖ Photograph of the Individual - but for Companies: no photo is required.

21.3

- A1. UIN stands for Unique Identification Number, it is a special class of GST registration for foreign diplomatic missions and embassies that are not liable to taxes in the Indian territory.
- A2. A specialized agency of the United Nations Organization (UNO)
 - ❖ A Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947
 - ❖ Consulate or embassy of foreign countries
 - ❖ Any other person or class of persons as notified by the commissioner
 UIN allows them to receive tax refund on all their purchases
- A3. UIN and GSTIN are two different types of identification numbers under GST. Goods and Services Tax Identification Number (GSTIN) is allotted to regular taxpayers who are required to collect GST and file GST returns. In contrast, UIN is allotted to only the organizations mentioned above.