

## **Non-submission of receipt of electricity bill is not a ground of rejection of application for GST registration**

The Allahabad High Court in the matter of ***Ranjana Singh v. Commissioner of Service Tax [W.P (Tax) 1084 of 2021 dated December 12, 2021]*** set aside the rejection of application of GST registration on the ground that, if for the purpose of proof of business ownership there is an option to furnish either house tax receipts or electricity bill receipts, then application cannot be rejected on the basis of non-compliance if receipt of electricity bills are not furnished.

### **Facts:**

Ranjana Singh (“**the Petitioner**”) is engaged in the business of providing employment through consultancy, which fall within the purview of the Uttar Pradesh Goods and Services Tax Act, 2017 (“**the UPGST Act**”). On August 17, 2021, the Petitioner applied for grant of registration under the UPGST Act through online mode. The Petitioner had provided the documents as per Section 25 of the UPGST Act and Rule 8 and 9 of the Uttar Pradesh Goods and Services Tax Rules, 2017 (“**the UPGST Rules**”). On submission of the application, an inspection was made at the business premises of the Petitioner on September 15, 2021, and thereafter, show cause notice was issued for providing certain information and documents in support thereof. On submission of reply, by means of the order dated September 23, 2021 (“**the OIO**”), the application of the Petitioner was rejected, against which the Petitioner preferred an appeal which too has been dismissed vide order dated October 28, 2021 (“**the Impugned Order**”). Hence, the writ petition was sought.

### **Issue:**

Whether non- submission of receipt of electricity bill is non-compliance and ground for rejection of application of GST registration?

### **Held:**

The Allahabad High Court in ***W.P (Tax) 1084 of 2021 dated December 12, 2021*** held as under:

- The Petitioner had submitted the explanation regarding the nature or possession of the business premises as the owner and submitted the house tax receipt in compliance with the show cause notice.
- The authorities without whispering any word or assigning any reason had rejected the application for non-specifying possession of the business premises and insisted for submission of electricity bill. The authorities have further erred in law in not pointing out any defect in submission of house tax receipt and insisted for submission of electricity bill

whereas the notice dated September 15, 2021, gave an option for submission of recent electricity bill or house tax receipt.

- It is clear from the records that all the documents as required under the UPGST Act and Rules made thereunder as well as in compliance to the show cause notice were furnished by the Petitioner and without pointing out any defect or short coming therein, the application should not have been rejected.
- The Petitioner had every right to carry on her business lawfully and her right to do business cannot be confiscated in illegal and arbitrary manner.

**Relevant Provision:**

Rule 8 of UPGST Rules:

*“8. Application for registration. -*

*(1) Every person, other than a non-resident taxable person, a person required to deduct tax at source under section 51, a person required to collect tax at source under section 52 and a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) who is liable to be registered under sub-section (1) of section 25 and every person seeking registration under sub-section (3) of section 25 (hereafter in this Chapter referred to as the applicant) shall, before applying for registration, declare his Permanent Account Number, mobile number, e-mail address, State or Union territory in Part A of FORM GST REG-01 on the common portal, either directly or through a Facilitation Centre notified by the Commissioner:*

*Provided that every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.*

*(2) (a) The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes.*

*(b) The mobile number declared under sub-rule (1) shall be verified through a one-time password sent to the said mobile number; and*

*(c) The e-mail address declared under sub-rule (1) shall be verified through a separate one-time password sent to the said e-mail address.*

*(3) On successful verification of the Permanent Account Number, mobile number and e-mail address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.*

*(4) Using the reference number generated under sub-rule (3), the applicant shall electronically submit an application in Part B of FORM GST REG-01, duly signed or verified through electronic verification code, along with the documents specified in the said Form at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.*

*(4A) Every application made under rule (4) shall be followed by-*

*(a) biometric-based Aadhaar authentication and taking photograph, unless exempted under sub-section (6D) of section 25, if he has opted for authentication of Aadhaar number; or*

*(b) taking biometric information, photograph and verification of such other KYC documents, as notified, unless the applicant is exempted under sub-section (6D) of section 25, if he has opted not to get Aadhaar authentication done, of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of section 25 where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after completion of the process laid down under this subrule.*

*(5) On receipt of an application under sub-rule (4), an acknowledgement shall be issued electronically to the applicant in FORM GST REG-02.*

*(6) A person applying for registration as a casual taxable person shall be given a temporary reference number by the common portal for making advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under subrule (5) shall be issued electronically only after the said deposit.”*

**(Author can be reached at [info@a2ztaxcorp.com](mailto:info@a2ztaxcorp.com))**

**DISCLAIMER: The views expressed are strictly of the author and A2Z Taxcorp LLP. The contents of this article are solely for informational purpose and for the reader's personal**

***non-commercial use. It does not constitute professional advice or recommendation of firm. Neither the author nor firm and its affiliates accepts any liabilities for any loss or damage of any kind arising out of any information in this article nor for any actions taken in reliance thereon. Further, no portion of our article or newsletter should be used for any purpose(s) unless authorized in writing and we reserve a legal right for any infringement on usage of our article or newsletter without prior permission.***