

Why do you need registration under GST in India

Hi This is Shashwat Tulsian from R.Tulsian and Co.

Today we are going to be answering one of the most asked questions relating to GST. Why register under GST? What happens if I do not register under GST?

Let's talk more about it.

If you do not register under GST, you would not be able to **utilize taxes paid on input goods and services to pay for GST** on supply of goods or services of your business.

So, for example, if you are an unregistered manufacturer, you will not be able to utilize tax paid on raw materials to pay GST on supply of manufactured final product. You will need to pay the entire GST liability on output from your own pocket.

The second huge disadvantage is if you are not registered under GST you will **not be able to issue tax invoice to your Purchaser**. Meaning that the person purchasing from you will not be able to take credit of the GST on the purchase and the **GST becomes a cost** to him. He will therefore obviously want to purchase from somebody else who is registered under GST so that he can claim credit for the GST on purchase. This obviously has a **huge competitive disadvantage for a GST unregistered supplier**.

Moral of the Video- Do **register your Business under GST**.

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