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EDITORIAL ANALYSIS

One PAN, One Registration: Rethinking GST Compliance for Pan-India Firms

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THE LIFT LINE

The **Goods and Services Tax** was sold to the country as "one nation, one tax." Eight years on, a company selling in fifteen states still keeps fifteen separate registrations, files returns in each and reconciles credit across all of them. A **Central Board of Indirect Taxes and Customs (CBIC)** panel is now weighing whether a single centralised registration under **one PAN** can bring the compliance experience closer to the slogan. The idea is attractive, but it collides with the very federal architecture that made GST possible.

WHY THIS EDITORIAL MATTERS FOR YOUR EXAM

This debate is a rare case where a technical tax-administration question opens directly onto the constitutional design of cooperative federalism. Examiners can approach it from the economy side (compliance cost, ease of doing business, formalisation) or the polity side (fiscal federalism, the GST Council, centre-state revenue sharing). A candidate who can hold both angles at once writes a distinctly better answer.

GS Paper 3: mobilisation of resources, tax reform and ease of doing business. **GS Paper 2:** functions of constitutional bodies, centre-state financial relations and governance reform.

For **Prelims**, hold the specifics: GST was rolled out on **1 July 2017**; it currently requires **separate state-wise registration** in each state of supply; the **GST Council** is a constitutional body under **Article 279A**; the **GST Network (GSTN)** is the IT backbone; the tax has three components, **CGST**, **SGST** and **IGST**, with IGST levied on inter-state supplies; and the seamless flow of **input tax credit (ITC)** is the mechanism that prevents cascading. CBIC is the apex body for indirect taxes under the Department of Revenue.

For **Mains**, argue that the reform must lower compliance friction without disturbing the destination-based, dual-GST structure or the revenue certainty of consuming states.

BACKGROUND AND CONTEXT

GST replaced a thicket of central and state indirect taxes with a unified, value-added, destination-based levy. Its genius was political as much as economic: states surrendered taxation powers in exchange for a shared, credit-linked system administered jointly through the GST Council. To preserve each state's claim on tax generated within it, the law required a business to register separately in every state where it has a place of business.

That state-wise design is administratively logical but commercially heavy. A logistics firm, an e-commerce seller or a services company with a national footprint maintains a dozen or more registrations, each with its own filings, audits and notices. Compliance teams spend more time reconciling than transacting. The CBIC panel's mandate is to ask whether a **single centralised registration** tied to a company's PAN could shoulder the same reporting through one window, while still attributing revenue correctly to each consuming state.

THE CORE ARGUMENT / ISSUE

The compliance-cost case

The strongest argument is efficiency. Multiple registrations multiply fixed compliance costs that fall hardest on mid-sized firms without large tax departments. A single registration would mean one login, consolidated returns and fewer overlapping notices, sharply improving India's ease-of-doing-business profile and encouraging formalisation.

The federal-design constraint

The counterweight is structural. GST is **destination-based**: tax accrues to the state where consumption happens, not where the seller sits. It is also **dual**, with the centre and states levying in parallel. Any centralised registration must therefore still track supplies state by state internally, so that SGST and the state share of the settled pool reach the right consuming state. Centralising the interface without centralising the revenue attribution is the design tightrope.

Reconciling the two

FEATURE	STATE-WISE REGISTRATION (CURRENT)	CENTRALISED SINGLE REGISTRATION (PROPOSED)
Registration unit	One per state of operation	One per PAN, nationwide
Compliance burden	High for pan-India firms	Substantially lower
Revenue attribution	Direct, by state of registration	Must be computed from supply data
State fiscal comfort	High, revenue is visible	Depends on trusted attribution engine
IT dependence	Moderate	Heavy reliance on GSTN capability

The table makes the trade-off plain. The reform shifts the burden from taxpayers to the system, which is desirable only if the system, GSTN, can attribute revenue flawlessly and transparently enough to keep states confident.

HOW TO THINK ABOUT THIS (ANALYTICAL FRAME)

Frame it as a **front-end versus back-end** question. What taxpayers experience (the registration and filing interface) can and arguably should be unified. What the federation depends on (accurate, destination-based revenue attribution to each state) must remain intact on the back end. Good reform separates these layers: simplify the front end aggressively while strengthening the back-end attribution engine so that no consuming state loses visibility or trust. Any proposal that blurs the two will stall in the GST Council, where states hold a decisive vote.

THE DIAGRAM IN WORDS

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Pan-India firm -> today files separate registration per state -> proposed single PAN-based registration -> unified filing front-end -> GSTN attributes each supply to consuming state -> destination-based SGST/IGST reaches correct state -> lower compliance cost with revenue integrity preserved
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WAY FORWARD

1. **Pilot with large, low-risk taxpayers.** Begin centralised registration for well-rated, pan-India firms whose supply data is clean, learning operational lessons before any wider rollout.
2. **Invest in GSTN attribution.** Strengthen the network's capacity to slice consolidated returns into accurate state-wise revenue, since state confidence hinges entirely on this back-end reliability.
3. **Route it through the GST Council.** Build consensus under Article 279A so that states co-own the reform, treating their revenue certainty as a design requirement, not an afterthought.
4. **Sequence with return simplification.** Pair centralised registration with simpler, pre-filled returns and faster input-tax-credit settlement, so the compliance dividend is felt across the whole filing cycle.

PYQ LINKAGE AND PRACTICE

UPSC's 2019 Mains asked candidates to enumerate the reasons for the delay in GST rollout and to comment on its potential, while Prelims has tested GST components and the GST Council. This editorial lets you update that base with a live, second-generation reform debate that shows GST as an evolving, negotiated system.

Practice question: "A single centralised GST registration would ease compliance but must respect the destination-based, dual-GST structure." Discuss the trade-offs and suggest a way forward. **(15 marks, 250 words)**

Sources: Business Standard, CBIC

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