



- GST – Casual Taxable Person – A Visionary Approach
- Maharashtra E-Way Bill Notification
- Chart on applicability of E-Way Bill in Maharashtra

STEEL USERS FEDERATION OF INDIA

**A UNITED PLATFORM FOR STEEL
FRATERNITY**

Prepared by:

Synthesis Group, Mumbai

Empanelled Member of SUFI

Steel Users Federation of India

52B, Plot No. 56, Ashok Chambers,
Devji Ratansy Marg, Masjid Bunder
(East), Mumbai – 400009
Tel: 022-43430300
Email: info@sufi.org.in

GST - Casual Taxable Person – A visionary Approach

GST - Casual Taxable Person – A Visionary Approach



Samir Sanghvi

Synthesis Group, Mumbai

Email : samir.sanghvi@synthesisgroup.in

July 29, 2017

Introduction:

Greetings!

Goods and Services Tax (GST) Act is a one of the biggest reforms in Indian Economy. GST is not only a tax reform but a 'business reform' which has impact on all business segments/constituents like manufacturers, traders, consumers, supply chain, IT system, logistics, etc. as well as Professionals and service providers. In nutshell, all these categories are at par under GST regime.

As predicted by experts, GST will improve tax collections on account of uniform form of levy and in turn will assist in eliminating/minimising black money and parallel economy due to robust mechanism of availing of input tax credit to buyer of products/services while discharging output tax liability and resulting into overall cost reduction.

GST along with it brought many surprises which can make businesses viable through cost effectiveness, if certain outstation transactions are planned prudently. One of such unspoken surprise we are discussing today.

Let's imagine, if Mr. A of M/s. XYZ Pvt. Ltd. (an event manager) of Mumbai is travelling outstation in other state (say Bangalore) to conduct an event and residing in hotel in Bangalore, can he claim Input Tax credit (ITC) benefit for intra state GST of Karnataka on receipt of goods or services there, where he doesn't have any business place? Further, how Can he pay taxes in Karnataka (as the place of supply of service is Karnataka) if he need to raise invoice in Karnataka for such service? In general understanding, he can't as he is unregistered in Karnataka. Therefore, technically, only for this single transaction he need to get the GST registration and need to comply with all the regulations of GST Laws viz. finalizing Fixed place of business, filing monthly and annual return, assessment etc.

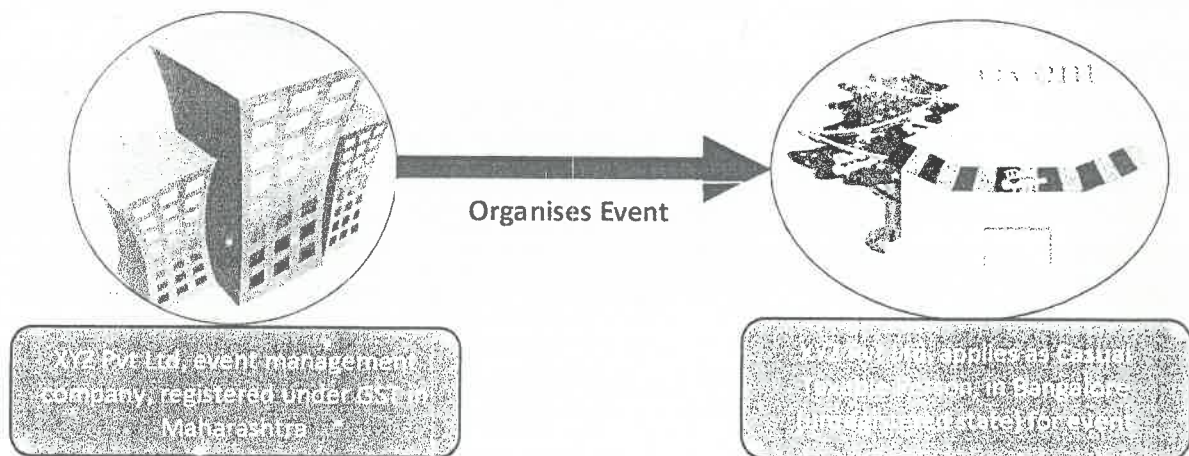
GST - Casual Taxable Person – A visionary Approach

To his rescue, the final GST Act has brought some important provisions in the Central Goods and Service Tax (CGST) Act, 2017 to assist him in getting quick registration in such situation with lesser compliance burden even if such person does not have fixed place of business and need to conduct business in such state. However, this concept is less spoken and it is my pleasure to share views related to provisions of "Casual Taxable Person" in a simplified and illustrative manner.

Definition: Refer Sub section 20 of Section 2 of The CGST Act, 2017-

A 'Casual Taxable Person' is a person who occasionally undertakes transactions involving supply of goods or services, or both, in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business.

Illustration:



In above situation, XYZ Pvt Ltd registered in Maharashtra supplies taxable services in Bangalore on occasional basis (i.e. the place where XYZ Pvt. Ltd doesn't have fixed place of business).

Implication:

It will include scenario where there is infrequent taxable transaction/event in Bangalore and XYZ Pvt Ltd., intends to raise invoice in that state for such transaction and further intends to claim ITC in relation to expenses related to such transaction.

This Concept seems to be useful in case of Architects, Fashion designers, event management companies, artists, Trade exhibition, seasonal businesses etc.

GST - Casual Taxable Person – A visionary Approach

Compliance Provisions:

Compulsory Registration:

A casual taxable person is mandatorily required to obtain GST registration irrespective of annual aggregate sales turnover.

Procedure of Registration as Casual Taxable Person:

- a. Casual taxable persons are required to obtain GST registration under a special category **at least 5 days prior** to the undertaking business.
- b. A casual taxable person can make taxable supply only after obtaining the certificate of registration.
- c. Such person **shall deposit its estimated tax liability in advance** at the time of registration.
- d. The amount deposited by a casual taxable person will be credited into the electronic cash ledger of the person and will subsequently be adjusted against the tax liability.
- e. The validity of GST registration for a casual taxable person is the validity period specified in the GST registration application or 90 days from the date of registration, whichever is earlier.
- f. If the officer verifying the application is satisfied and advance GST deposit is made, the GST registration can be extended by up to another 90 days. The window of registration as Casual taxable person is maximum 180 days (along with extension)

Refund Procedure:

- a. All other returns shall be filed by him in line with a normal registered person.
- b. A casual taxable person is exempt from filing of annual return.
- c. Any balance amount after setting off actual liability by a casual taxable person shall be refunded against an application on **FORM-GST-RFD-01**, in respect of the entire period for which the certificate of registration has been granted to him had remained in force, only after such casual taxable person has **furnished all the returns required**.

Frequently Asked Questions (FAQ):

1. **How to define the term 'occasional' in definition?**
The term "occasional" is not defined under the GST law. As per general understanding, if you have continuous taxable supply in an unregistered state on frequent basis, then you cannot claim such situation as an 'occasional'.
2. **If a Casual taxable person who is registered in a state and if the Project is expected to be extended beyond maximum threshold of 180 days, then what will be the implication?**
Currently, GST Act is silent regarding the procedure under such situation.

GST - Casual Taxable Person – A visionary Approach

- As per first possible view, the casual taxable person shall re-apply for registration as such. However, in the absence of specific provision in this regard, clarity is awaited.
 - As per alternate view, he may opt for taking a normal registration in the concerned state in compliance with normal provision of GST law.
3. **Is it Compulsory to raise Invoices from the Casual taxable person TIN in the state where he is registered as 'Casual Taxable Person'?**
The primary condition for applying for Casual taxable person is taxable supply of goods and service in that state. However, the law is silent about place of invoicing. Therefore, it would be ideal to issue taxable invoice from such state where registration is obtained under category 'Casual taxable person'.
4. **If there is no taxable supply in the state where there is registration obtained under 'Casual Taxable Person' category. However, in prospect of business, a substantial amount of expenses is incurred in that state. Can that be claimed for refund under 'casual Taxable Person' Registration?**
- As per One probable view, the primary condition for applying for Casual taxable person is taxable supply of goods and service in that state and once the certificate for registration under Casual Taxable Person category obtained, then only such person can commence business in that state.
 - In case, expenses are incurred in a state post obtaining registration under 'Casual Taxable Person' in such state, the ITC related to such expenses can be claimed.
 - However, expenses incurred in a state prior to obtaining registration under 'Casual Taxable Person' in such state, the ITC related to such expenses can't be claimed.

Our view:

- Casual taxable person is a unique and of course a beneficial concept in GST due to advantages like minimum compliance burden, entitlement of Input tax credit, Easy Refund procedures etc.
- Casual taxable person is a big relief for the business which undertakes business seasonally in different states where they are not registered and so the temporary registration is the solution.

This article was published on www.gstisutra.com in month of July, 2017.

Maharashtra E-way Bill Notification

With effect from 1st July 2018, **NO E-Way Bill** is required in following cases-

S No.	Situation	Supplier	Receipt	Limit
1.	Movement of goods within Maharashtra	Any Person	Any Person	Rs. 1,00,000
2.	Movement of goods within a distance of upto 50km for the purpose of jobwork for the following goods: 1) Hank 2) Yarn 3) Fabric 4) Garments	Any person	Job-worker	Any value.

Note-

- 1- On the basis of the notification, it can be concluded that the **return of goods** from the job worker within 50 km where the goods are hank, Yarn, Fabric and Garments **shall also not be required to comply with the E-way bill provisions.**
- 2- For inter-state movement, E-way bill will be prepare as per earlier rule.

You can reach us -

CA Samir Sanghvi

Steel Users' Federation of India (SUFI)

2/3, Ashok Chambers, Devji Ratanshy marg,
Carnac Bunder, Masjid East, Mumbai – 400 009.
India.

Email – gst@sufi.org.in

Cell – 9821009143.

Thanking you,
Yours faithfully,

CA Samir Sanghvi,
Empaneled GST Expert for SUFI

Chart on applicability of E-way Bill in Maharashtra:

From	To	Distance	Inter State/Intra State	Value (in Rupees)	Whether E-way bill is mandatory		Documents required
					Part A	Part B	
Reg. Supplier	Reg./URD Customer	Any distance	Inter State	< 50,000	X	X	Tax invoice
Reg. Supplier	Reg./URD Customer	Any distance	Intra State	Upto 100,000	X	X	Tax invoice
Reg. Supplier	Reg./URD Customer	Any distance	Inter State	=> 50,000	✓	✓	Tax invoice
Reg. Supplier	Reg./URD Customer	Any distance	Intra State	> 100,000	✓	✓	Tax invoice
URD Supplier	Reg. Customer	Any distance	Intra State	upto 100,000	X	X	Tax invoice
URD Supplier	Reg. Customer	Any distance	Inter State	< 50,000	X	X	Tax invoice
URD Supplier	Reg. Customer	Any distance	Intra State	>100,000	✓	✓	Tax invoice
URD Supplier	Reg. Customer	Any distance	Inter State	=> 50,000	✓	✓	Tax invoice
Reg. Supplier	Transporter	Any distance	Intra State	Upto 100,000	X	X	Tax invoice for customer
Reg. Supplier	Transporter	Any distance	Inter State	< 50,000	X	X	Tax invoice for customer
Reg. Supplier	Transporter	Up to 50 Kms	Intra State	> 100,000	✓	X	Tax invoice for customer
Reg. Supplier	Transporter	> 50 Kms	Intra State	> 100,000	✓	✓	Tax invoice for customer
Reg. Supplier	Transporter	Any distance	Inter State	=> 50,000	✓	✓	Tax invoice for customer
Transporter	Reg Recipient	Any distance	Intra State	Upto 100,000	X	X	Tax invoice of supplier
Transporter	Reg Recipient	Any distance	Inter State	< 50,000	X	X	Tax invoice of supplier
Transporter	Reg Recipient	Up to 50 Kms	Intra State	> 100,000	✓	X	Tax invoice of supplier
Transporter	Reg Recipient	> 50 Kms	Intra State	> 100,000	✓	✓	Tax invoice of supplier
Transporter	Reg Recipient	Any distance	Inter State	=> 50,000	✓	✓	Tax invoice of supplier
Reg. Person	Weighment bridge	Any distance	Intra State	Upto 100,000	X	X	Delivery challan
Reg. Person	Weighment bridge	Any distance	Inter State	< 50,000	X	X	Delivery challan
Reg. Person	Weighment bridge	Up to 20 Kms	Intra State	> 100,000	X	X	Delivery challan
Reg. Person	Weighment bridge	> 20 Kms	Intra State	> 100,000	✓	✓	Delivery challan
Reg. Person	Weighment bridge	Any distance	Inter State	=> 50,000	✓	✓	Delivery challan
Reg. Supplier	Job worker	Any distance	Intra State	Upto 100,000	X	X	Delivery challan
Reg. Supplier	Job worker	Any distance	Intra State	> 100,000	✓	✓	Delivery challan
Reg. Supplier	Job worker	Any distance	Inter State	Any value	✓	✓	Delivery challan
Job worker	Reg. Supplier	Any distance	Intra State	Upto 100,000	X	X	Delivery challan
Job worker	Reg. Supplier	Any distance	Intra State	> 100,000	✓	✓	Delivery challan
Job worker	Reg. Supplier	Any distance	Inter State	Any value	✓	✓	Delivery challan
Job worker	Sub Job worker	Any distance	Intra State	Upto 100,000	X	X	Delivery challan
Job worker	Sub Job worker	Any distance	Intra State	> 100,000	✓	✓	Delivery challan
Job worker	Sub Job worker	Any distance	Inter State	Any value	✓	✓	Delivery challan
Port	Reg. Person's Premises	Any distance	Intra State	Upto 100,000	X	X	Bill of entry
Port	Reg. Person's Premises	Any distance	Inter State	< 50,000	X	X	Bill of entry
Port	Reg. Person's Premises	Any distance	Intra State	> 100,000	✓	✓	Bill of entry
Port	Reg. Person's Premises	Any distance	Inter State	=> 50,000	✓	✓	Bill of entry
Reg. Person's Premises	Port	Any distance	Intra State	Upto 100,000	X	X	Tax invoice
Reg. Person's Premises	Port	Any distance	Inter State	< 50,000	X	X	Tax invoice
Reg. Person's Premises	Port	Any distance	Intra State	> 100,000	✓	✓	Tax invoice
Reg. Person's Premises	Port	Any distance	Inter State	=> 50,000	✓	✓	Tax invoice
Own Premises	Own Premises	Any distance	Intra State	Upto 100,000	X	X	Delivery challan
Own Premises	Own Premises	Any distance	Inter State	< 50,000	X	X	Tax invoice
Own Premises	Own Premises	Any distance	Intra State	> 100,000	✓	✓	Delivery challan
Own Premises	Own Premises	Any distance	Inter State	=> 50,000	✓	✓	Tax invoice