

Handbook on Casual Taxable Person under GST



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi



Handbook
on
Casual Taxable Person under GST



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Foreword

The introduction of Goods & Service Tax (GST) in India is one of the biggest indirect tax reforms since Independence. The reform that took more than a decade of mutual co-operation, continuous discussion and intense debate between Central and State Governments about implementation methodology, was finally implemented with effect from 1st July 2017, subsuming almost all indirect taxes at the Central and State levels. As the journey of GST Implementation progressed in India, the authorities have been quick to address the various challenges faced by the Industry and public concerns by issuing a series of notifications, clarifications, press releases and FAQs, to resolve a wide range of concerns.

The GST alongwith its challenges has brought in various benefits also like creation of National market by bringing down fiscal barriers amongst the States and has mitigated the cascading effect of taxes by allowing seamless credit of Input Tax across goods & services. The Institute of Chartered Accountants of India (ICAI) through its GST & Indirect Taxes Committee has been playing a vital role in implementation of GST in India by providing suggestions to the Government at each stage of development of GST. Further, the Institute has been playing proactive role and is a catalyst in dissemination of knowledge and awareness through technical publications, newsletters, E-learning and organizing various programmes, Certificate courses, webcasts etc. for all stakeholders.

I am happy to note that the GST & Indirect Taxes Committee of ICAI has now taken an initiative to issue a series of Handbooks covering various procedural aspects of GST and in that series is bringing out **Handbook on Casual Taxable Person under GST** with an objective to provide a basic understanding of the topic. The handbook explains the concepts / procedures relating to Casual Taxable person in an easy to understand lucid language and it aimed at updating the knowledge base of members in a simple and concise manner.

I congratulate CA. Rajendra Kumar P, Chairman, CA. Sushil Kumar Goyal, Vice Chairman and other members of GST & Indirect Taxes Committee for coming out with this Handbook and for taking active steps in providing regular guidance to the members and other stakeholders at large.

I am sure that the members will find this publication very useful in discharging the statutory functions and responsibilities in an efficient and effective manner.

CA. Atul Kumar Gupta
President, ICAI

Date: 25.05.2020

Place: New Delhi

Preface

Goods and Services Tax (GST) was introduced in India from 1st July, 2017. It is one of the major tax reforms since independence in the area of indirect taxation. It was introduced with the objective to mitigate the cascading effect of taxes by allowing seamless credit across goods and services, facilitate free flow of goods and services across India and boosting tax revenue from better compliance and widening the tax base. A remarkable feature of GST implementation is that all the States in India came together with the Centre to form a unique federal body called GST Council, which is entrusted with the objective of recommending policies and procedural matter in the formation and implementation of GST legislation. The spirit of co-operative federalism took deep roots there by ensuring that large federal countries like India implement the GST Law.

In order to facilitate in understanding various compliance under GST, GST & Indirect Taxes Committee of ICAI has taken an initiative to prepare Handbook on procedural aspects like registration, refund, return, Invoice etc. One of the result of such initiative is **Handbook on Casual Taxable Person under GST**. An attempt has been made to cover all aspects related to Casual Taxable Person at one place and is intended to give general guidance to all stakeholders and also help them in resolving issue that they may face during the course of their compliance aspect in GST. This Handbook on Casual Taxable Person under GST is comprehensive containing analysis of the entire provisions under the law including notifications, circulars or orders upto 31st March, 2020 issued by the Government from time to time along with few FAQ's, MCQ's, Flowcharts, Diagrams and Illustrations etc. to make the reading and understanding easier.

We stand by the Government in our role as “Partner in GST Knowledge Dissemination” and have always been supporting Government with our intellectual resources, expertise and efforts to make GST error-free.

We sincerely thank to CA. Atul Kumar Gupta, President and CA. Nihar Niranjan Jambusaria, Vice-President, ICAI for their encouragement to the initiatives of the GST & Indirect Taxes Committee. We express our gratitude for the untiring effort of CA. Yash Dhadda who has authored this handbook

and CA. Shaikh Abdul Samad Ahmad for reviewing the same. We place on record the services and unstinted support provided by the Secretariat of the Committee.

We trust this Handbook will be of practical use to all the members of the Institute and other stakeholders. We also welcome suggestions at gst@icai.in and request to visit our website <https://idtc.icai.org> and provide valuable inputs in our journey to make GST truly a good and simple tax.

CA. Rajendra Kumar P
Chairman
GST & Indirect Taxes Committee

CA. Sushil Kumar Goyal
Vice- Chairman
GST & Indirect Taxes Committee

Date: 25.05.2020

Place: New Delhi

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Chapter 1

Introduction

Meaning of Casual Taxable Person

Section 2(20) of the Central Goods and Services Tax Act, 2017 defines Casual taxable person as under :

“Casual taxable person” means 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.*

In simpler terms, a person is said to be a casual taxable person in a particular State if he occasionally undertakes supply in that State/UT where he does not have a fixed place of business.

Example: Deep Exports are manufacturers of textile products registered under GST in Rajasthan. They do not have any place of business in Indore but they have to participate in a textile exhibition in Indore where its products will be displayed and sold.

It will have to obtain Casual taxable person (“**CTP**”) registration in Madhya Pradesh to make taxable supplies of goods in Indore.

The ingredients required for a person to qualify as a casual taxable person in a State are as under:

- Transactions are undertaken *occasionally* in a State or UT
- *No fixed place of business* in that State or UT
- Transactions involving the *supply* of goods and/or services undertaken
- Transactions are undertaken in the course or furtherance of *business*
- Whether as a principal, agent or in any other capacity

Understanding the Concept of Casual Taxable Person

- The frequency of transactions undertaken from such a State should be occasional i.e. non-recurring. If frequent transactions are undertaken in that State, the authorities may review the requirement of regular registration.
- Where a taxpayer has a fixed place of business in a State and any supply is made in that State even if occasional, it cannot take CTP registration. Regular registration will be required subject to threshold exemption from registration.
- CTP registration is required only if the transaction undertaken in the other State amounts to *supply* and not otherwise.

An important aspect to understand here is that if a person carries out certain activities in the course of his business in a State occasionally which does not amount to supply in that State, CTP registration is not required.

For example, if goods have been taken to a State where the person has no fixed place of business exclusively for display and not for sale therefrom, he cannot be termed as a casual taxable person for that State.

- A person will qualify as CTP only if the transactions have been undertaken in the other State in the course or furtherance of his *business*.

For example, if a person involved in the business of selling motor vehicles in Rajasthan has sold his jewellery in Ahmedabad where he has no fixed place of business, he cannot be said to be a casual taxable person in Ahmedabad.

- Where a person has undertaken supplies as a principal, agent or in any other capacity in some other State without any fixed place of business, he will be covered within the ambit of casual taxable person.

It means that even if agents in a State are supplying goods on behalf of their principal where they do not have a fixed place of business, they will be termed as casual taxable persons.

Inter-State Supply from Regular Registration *vis-a-vis* CTP Registration

Supply of Goods

In case of supply of goods, the location of the supplier is not defined in the Act. Applying the basic understanding, the location of the supplier shall be understood as the place from where the goods are supplied to the recipient. Hence, if the movement of goods is undertaken to a State, different from the State in which supplier is having normal registration, and consequently goods are supplied from there, then such supply can be said to be made in the said State. If the person does not have a fixed place of business in such a State and undertakes supply from there occasionally, CTP registration has to be obtained in such a State.

Supply of Services

As per the definition of ‘casual taxable person’ stated above, it covers a person supplying services also.

Going into the practical applicability of this concept for a supplier of services, it is important to understand the line of difference between inter-State supplies provided by a registered person in one State to recipients in other States where he has no fixed place of business and on the contrary the supply of services made by it in the States occasionally where it has no fixed place of business attracting provisions of the casual taxable person.

In order to understand this, the concept of inter-State supply of services needs to be analysed. The term “Inter-State supply” is defined in Section 7 of IGST Act, 2017, which is as under:

“7. DETERMINATION OF NATURE OF SUPPLY

- (1)
- (2)
- (3) *Subject to the provisions of section 12, supply of services, where **the location of the supplier and the place of supply** are in—*
 - (a) *two different States;*
 - (b) *two different Union territories; or*

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(c) a State and a Union territory,
shall be treated as a supply of services in the course of inter-State trade or commerce.

(4)

(5)

The two important indicators are the location of the supplier and the place of supply.

As defined in Section 2(71) of CGST Act, 2017, “location of the supplier of services” means, —

- (a) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;
- (b) where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;
- (c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provisions of the supply; and
- (d) in absence of such places, the location of the usual place of residence of the supplier;

From the analysis of the above two definitions, the most important factor for identification is the place from where the supply is made. If the supply is made from a registered place of business in a State, such place is the location of supplier of service and if the place of supply of such service is in another State/UT, it is simply an inter-State supply and such person cannot be said to be a casual taxable person in the recipient’s state.

Example:

Case 1	Case 2
<i>Inter-State Supply</i>	<i>Casual Taxable Person</i>
When an event management company having an office in Jaipur, enters into a contract from its	When an event management service provider sets up a temporary booth in a mall in Mumbai to grab the

Introduction

<p>'Jaipur office' for managing an event in Mumbai, such outward supply of service shall be treated as inter-State supply. (Location of supplier is Jaipur and place of supply is Mumbai)</p>	<p>opportunities available in Mumbai on New year and receives orders for managing New year events, he is liable to obtain registration as a casual taxable person for supplying event management services. (Location of supplier and place of supply is Mumbai)</p>
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In case of a supply of services, it is subjective to determine whether the supply is an inter-State supply from the State where it is registered or supply from the other State requiring CTP registration.

One probable view is that a person recognizes its supplies as inter-State supplies from the registered place of business in the State with regular registration as per the definition of location of supplier of services.

However, there are instances of transactions which appear to have a requirement of CTP registration in the State where the supply of service is undertaken occasionally.

The supply of works contract service is one such instance. In such a transaction, a person may be registered in one State but required to execute a supply in another State where he does not have a fixed place of business and supply has to be undertaken for a specific duration (not exceeding 90+90 days).

Chapter 2

Registration

Compulsory Registration

In general, the registration requirement under the GST law flows from Section 22 of the CGST Act and *pari materia* provision in State GST Act(s) which requires a supplier to be registered *in the State from where he makes a taxable supply* if the aggregate turnover exceeds a threshold limit.

Accordingly, regular registration is mandated by law for every supplier in the State from where he makes taxable supply. However, a supplier is exempted from taking registration up to a threshold limit of aggregate turnover in a Financial Year of ₹ 20 lakhs or ₹ 10 lakhs in the case of special category States.

Section 22 vis-à-vis Section 24

However, irrespective of the aggregate turnover in a Financial Year, if a person qualifies as a casual taxable person making taxable supply in a State, there is a compulsory requirement to obtain GST registration in that State. Casual taxable persons making taxable supply are persons compulsorily required to be registered as per Section 24 of the CGST Act, 2017. An important aspect of the analysis here is that compulsory requirement of registration under Section 24 overrides the exemption of the basic threshold of aggregate turnover up to ₹ 20 lakhs or 10 lakhs.

Section 23 vis-à-vis Section 24

In addition to the basic threshold exemption under Section 22, a supplier may also be exempted from registration under specific exemptions from registration issued under Section 23 (2) of the Act like exemption from registration for the supplier of goods up to aggregate turnover of ₹ 40 lakhs in some States provided vide *Notification No. 10/2019 – Central Tax dated 07.03.2019* effective from 01.04.2019.

It is an area of caution to note whether such exemptions under Section 23 override the requirement of compulsory registration for casual taxable persons under Section 24 or the requirement of compulsory registration for casual taxable person remains intact irrespective of such exemptions.

For instance, the exemption from registration for the supplier of goods up to aggregate turnover of ₹ 40 lakhs in some States have been provided in exercise of the powers conferred under Section 23(2) of the Act which provides that such exemption is provided to the person except those required to take compulsory registration under section 24 of the said Act like casual taxable person.

Exemption from Compulsory Registration for CTPs

The Central Government, exercising the powers to exempt category of persons from obtaining registration under Section 23 of the Act, has specified the categories of casual taxable persons who shall be exempted from obtaining registration under the Act *vide Notification Number 56/2018-Central Tax dated 23.10.2018*.

The categories of casual taxable persons who shall be exempted from obtaining registration under the said Act are -

- (i) Such persons making inter-State taxable supplies of handicraft goods.
(For this purpose, "*Handicraft goods*" means – Goods predominantly made by hand even though some tools or machinery may also have been used in the process; such goods are graced with visual appeal in the nature of ornamentation or in-lay work or some similar work of a substantial nature; possess distinctive features, which can be aesthetic, artistic, ethnic or culturally attached and are amply different from mechanically produced goods of similar utility.
(The goods must fall within the list of HSN Code and description is given in *Notification No. 21/2018 -Central Tax (Rate) dated 26-07- 2018*)
- (ii) Such persons making inter-State taxable supplies of the products mentioned in this notification, when made by craftsmen predominantly by hand even though some machinery may also be used in the process.
(A list of products and respective HSN is given in *Notification No. 56/2018 - Central Tax dated 23-10-2018*)

Conditions for exemption from CTP registration

1. The aggregate value of such supplies, to be computed on all India basis, does not exceed the amount of aggregate turnover above which a supplier is liable to be registered in the State/UT under Section 22(1) of the Act. This means the value of supplies of specified goods on PAN basis does not exceed ₹ 10 lakhs for Special Category States and ₹ 20 lakhs for other States.
2. Such persons have not obtained registration by availing the benefit of exemption from compulsory registration for making inter-State taxable supplies provided vide *Notification No. 03/2018 – Integrated Tax, dated the 22-10-2018*.
3. Such persons shall obtain a Permanent Account Number and generate an e-way bill under the provisions of Rule 138 of the Central Goods and Services Tax Rules, 2017. (“**the CGST Rules**”)

Analysis

Persons having an aggregate value of *supplies of specified goods* less than ₹ 20 lakhs/ ₹ 10 lakhs on PAN basis and not registered in any State and sending or taking goods out of their State for supply in another State are not required to obtain CTP registration in the said State where they have no fixed place of business.

It is important to note that the limit of the value of such supplies is ₹ 20 lakhs/ ₹ 10 lakhs only. The supplier of goods having turnover more than such limit but availing exemption from registration for aggregate turnover up to ₹ 40 lakhs given as per Section 23(2) of the Act *vide Notification No. 10/2019 – Central Tax dated 07.03.2019* effective from 01.04.2019 are not eligible for this exemption.

Examples

- Q1.** Mr. A is a manufacturer of home décor products including handcrafted candles in Rajasthan. He is not registered under GST. He has to participate in an Art Fair in Noida, UP. The quantum of goods transferred and sold is as under:

Value of goods transferred from Rajasthan to Noida = ₹ 10 lakhs

Sales for the year in Rajasthan = ₹ 3 lakhs

Sales in fair in Noida = ₹ 1.5 lakhs

Is Mr. A required to obtain any GST registration in any State whether as regular or CTP?

Ans. The requirement for registration will be as under:

- Regular registration is not required as per Section 22(1) because the aggregate turnover does not exceed ₹ 20 lakhs.
- Regular registration is not required as per Section 24 (i) read with Section 23 since the aggregate value of supplies of specified goods on all India basis is ₹ 14.5 lakhs i.e. below the turnover threshold of ₹ 20 lakhs and hence the benefit of exemption from registration for inter-State supplies is available as per *Notification No. 3/2018 – Integrated Tax dated 22.10.2018*.
- Mr. A is not required to obtain CTP registration in Noida since the aggregate value of supplies of specified goods on all India basis is below ₹ 20 lakhs and hence the benefit of exemption from CTP registration is available as per *Notification No. 56/2018 – Central tax dated 23.10.2018*.

Q2. In case, the quantum of goods transferred and sold in the above question is as under:

Value of goods transferred from Rajasthan to Noida = ₹ 15 lakhs

Sales for the year in Rajasthan = ₹ 4 lakhs

Sales in fair in Noida = ₹ 2 lakhs

Is Mr. A required to obtain any GST registration in any State whether regular or CTP?

Ans. The requirement for registration will be as under:

- Regular registration is required in Rajasthan as per Section 22(1) because the aggregate turnover exceeds ₹ 20 lakhs.
- Mr. A will have to obtain CTP registration in Noida since the aggregate value of supplies of specified goods on all India basis including the stock transfer from Rajasthan to Noida exceeds ₹ 20 lakhs and hence the benefit of exemption from CTP registration is not available as per *Notification No. 56/2018 – Central tax dated 23.10.2018*.

Option for Composition Scheme

A casual taxable person cannot opt to exercise the option to pay tax under section 10. This means a casual taxable person does not have an option to register and pay taxes under Composition Scheme.

Time Limit for Obtaining Registration

A casual taxable person shall apply for registration at least five days before the commencement of business.

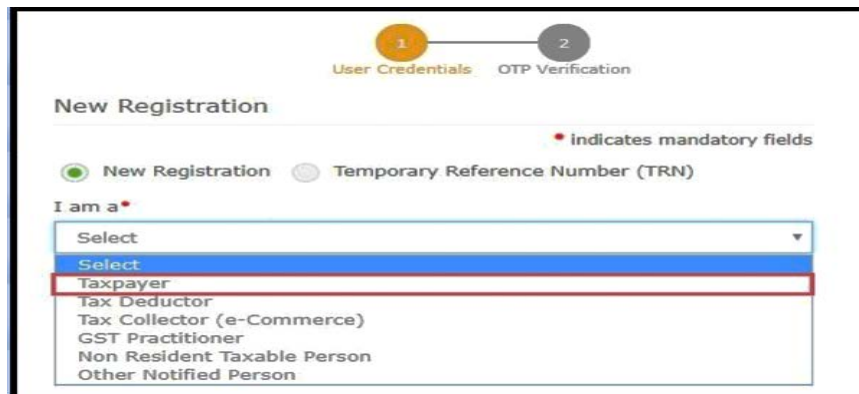
Example:

Rajdhani Textiles is a manufacturer of textiles in Ahmedabad. It has to participate in a Textile exhibition in Rajasthan to be held on 25.10.2019. What is the due date to obtain registration in Rajasthan?

Ans. Rajdhani Textiles has to obtain CTP registration in Rajasthan on or before 20.10.2019.

Procedure for Registration

A casual taxable person has to apply for registration at the GST portal at least 5 days before the commencement of business. There is no separate form to register as a casual taxable person. The procedure for applying as a casual taxable person is the same as for a regular taxpayer. The application for regular registration in FORM GST REG-01 has to be filed on the GST portal for CTP registration also.



The screenshot shows the 'New Registration' form on the GST portal. At the top, there are two steps: '1 User Credentials' and '2 OTP Verification'. Below the title, there are radio buttons for 'New Registration' (selected) and 'Temporary Reference Number (TRN)'. A legend indicates that a red asterisk (*) indicates mandatory fields. The 'I am a' dropdown menu is open, showing options: 'Select', 'Taxpayer', 'Tax Deductor', 'Tax Collector (e-Commerce)', 'GST Practitioner', 'Non Resident Taxable Person', and 'Other Notified Person'. The 'Taxpayer' option is highlighted with a red border.

1. A casual taxable person should declare his Permanent Account Number (PAN), mobile number, e-mail address, State or Union territory in Part A of FORM GST REG-01 on the common portal.

Registration

2. The PAN shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes (CBDT). The mobile number declared shall be verified through a one-time password (OTP) sent to the said mobile number, and the e-mail address shall be verified through a separate one-time password (OTP) sent to the said e-mail address as the normal process of registration.
3. On successful verification of the PAN, mobile number and e-mail address, a temporary reference number (TRN) shall be generated and communicated to the applicant on the said mobile number and e-mail address.
4. While applying for registration as a casual taxable person he has an option available in PART-B of FORM GST REG-01 at the portal as under:
 - “Are you applying for registration as a casual taxable person?”
 - One needs to click ‘yes’ in this tab to apply as a casual taxable person.
 - If the option is selected as Yes, two more mandatory fields of information have to be filled, which are:
 - Period for which registration is required
 - Estimated Supplies and Estimated net tax liability

Are you applying for registration as a casual taxable person? Yes

Period for which registration is required*

From: DD/MM/YYYY To: DD/MM/YYYY

Estimated supplies and Estimated Net Tax Liability*

Type of Tax	Turnover (Rs.)	Net Tax Liability (Rs.)
Integrated Tax	Enter Integrated Tax	Enter Integrated Tax
Central Tax	Enter Central Tax	Enter Central Tax
UT Tax/ State Tax	Enter UT Tax/ State Tax	Enter UT Tax/ State Tax
Cess	Enter CESS	Enter CESS

Warning! As a casual taxable person, period of registration and Net Tax Liability (IGST, CGST, SGST and Cess) values are non-editable once generate the Challan.

GENERATE CHALLAN

5. The Temporary Reference Number (TRN) given by the common portal shall be used by the applicant applying for registration as a casual

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taxable person for making an advance deposit of estimated tax liability.

6. This is an important and distinct step in the procedure for registration as a casual taxable person. The supplies to be made during the period for which CTP registration is sought have to be estimated in advance and the net tax liability on such estimated supplies have to be calculated and deposited in advance.
7. It is also important to note that the estimated supplies have to be separately identified as inter-State supplies or intra-State supplies so that IGST, CGST and SGST liability on such estimated supplies can be separately identified. Further, input tax credit also needs to be estimated to arrive at the estimated net tax liability which is required to be filled in the registration application and the tax liability so entered has to be deposited in advance.
8. After entering the estimated values of supplies and net tax liability, there is an option to generate challan. This option is also available after all tabs of information in Part B of the Registration application are filled up.
9. The applicant has to generate challan and make the advance payment of estimated net tax liability using the payment modes available on the GST Portal.
10. Such a tax amount gets credited in the electronic cash ledger of the applicant.
11. Using this reference number generated, the applicant shall proceed to fill information in the application in Part B of FORM GST REG-01, along with the documents specified in the said Form at the common portal.
12. Normally, documents/information required for casual taxpayer registration is the same as normal registration except the documents regarding the place of business where the business is to be carried which may be different since the place of business may be temporary in this case and not a fixed place of business.
 - (a) For example, in case of casual registration for exhibition purposes, a copy of documents relating to the exhibition shall be required such as documents relating to payment for booth

Registration

allocation, communication/consent letter for allotment of space for the exhibition.

(b) A list of documents required for CTP registration has been provided at the end of this Chapter .

13. The applicant has to complete Part B of the registration application and submit it, duly signed or verified through electronic verification code.
14. Further, on receipt of the application and after payment of the above tax liability, an acknowledgment is issued to the applicant on the GST portal in Form GST REG-02 acknowledging such deposit of advance tax.

Form GST REG-02

[See Rule ---]

Acknowledgment

Application Reference Number (ARN) -	
You have filed the application successfully and the particulars of the application are given as under:	
Date of filing	:
Time of filing	:
GSTIN, if available	:
Legal Name	:
Trade Name (if applicable):	
Form No.	:
Form Description :	
Center Jurisdiction	:
State Jurisdiction :	
Filed by	:
Temporary reference number (TRN), if any:	
Payment details* : CIN	
	: Date
	: Amount
It is a system generated acknowledgment and does not require any signature.	
<i>* Applicable only in case of Casual taxable person and Non Resident taxable person</i>	

15. The application is then forwarded to the proper officer who examines the application and the accompanying documents and if the same is found to be appropriate, the officer has to approve the grant of

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registration to the applicant within 3 working days from the date of submission of the application.

16. Where the application is found to be deficient, either in terms of any information or any document required to be furnished, or where the proper officer requires any clarification about any information provided in the application or documents furnished, a notice may be issued to the applicant in FORM GST REG-03 on GST portal within 3 working days from the date of submission of the application.
17. The applicant shall furnish such clarification, information or documents in FORM GST REG-04 on the GST portal, within 7 working days from the date of the receipt of such notice.
18. If the proper officer is satisfied with the clarification, information or documents furnished in reply by the applicant, he may approve the grant of registration to the applicant within 7 working days from the date of the receipt of such clarification or information or documents.
19. Where no reply is furnished by the applicant in response to the notice or the proper officer is not satisfied with the clarification, information or documents furnished by the applicant in reply, the officer may reject the application and inform the applicant in FORM GST REG-05 on GST portal, recording the reasons for rejection in writing.
20. Where the application for grant of registration has been approved, a certificate of registration in FORM GST REG-06 will be issued on the portal to the applicant.

List of Documents Required for CTP Registration

1. Business/Trade Name, Copy of PAN of the applicant.
2. Mobile Number and Email address for communication and OTP purposes.
3. Existing registration of the applicant if any. (E.g., GSTIN, Incorporation document or proof of registration with any other authority like MCA)
4. Copy of Incorporation document evidencing the existence of the applicant (e.g.: a copy of Partnership Deed, Company Incorporation Certificate, etc.)

Registration

5. Details of promoters/partners/directors etc. of the applicant along with a copy of their address proofs and ID proofs such as Aadhar card, PAN, Photo, Email ID, Mobile Number.
6. Bank Details: Documents such as Cancelled Cheque of firm/Copy of passbook or bank statement with the name of the applicant.
7. Details of the principal place of business for supply in the State: Address along with documents evidencing right or permission to conduct business from the place.

For example: In case of casual registration for exhibition purposes, a copy of documents relating to the exhibition shall be required such as documents relating to payment for booth allocation, communication/ consent letter for allotment of space for the exhibition.
8. If the person has any additional place of business in the State, the same documents as above are required.
9. Nature of business carried out by the applicant. List of top 5 products or services to be provided by the applicant.
10. Authorization letter provided on the applicant's Letterhead to authorize one or more persons for signing all documents related to GST. An authorisation letter is not required in the case of proprietorship.

Validity of Registration

The certificate of registration issued to a casual taxable person shall be valid for:

- the period specified in the application for registration or
 - 90 days from the effective date of registration,
- whichever is earlier.

It is important to point that the casual taxable person shall make taxable supplies only after the issuance of the certificate of registration.

Extension of Validity of CTP Registration

A casual taxable person may apply for an extension of the period of operation and the proper officer may extend the said period of 90 days by a further period not exceeding 90 days on sufficient cause being shown by the said taxable person. Hence, along with the extension, a casual taxable person can be valid for a maximum period of 180 days.

Procedure for Extension

- (a) An application in FORM GST REG-11 shall be submitted on the GST portal before the end of the validity of registration granted to him.
- (b) Such a taxable person shall deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought. The procedure for payment of tax in a given case shall be the same as it is for the initial period of registration.
- (c) Application for the extension shall be acknowledged only on payment of the estimated tax liability for the period for which the registration is sought.

Restriction on CTP Registration for more than 180 Days

Due to the limitation of the validity period of 180 days for CTP registration, a person qualifying as a casual taxable person as per the statutory definition under Section 2(20) of the Act, cannot take registration as CTP and is required to obtain a normal registration even in the absence of a fixed place of business.

A clarification has been provided by CBIC in Circular No. 71/45/2018-GST dated 26-10-2018 in this regard as under:

Circular No. 71/45/2018-GST

2	<i>As per section 27 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Act), period of operation by Casual taxable person is ninety days with provision for extension of same by the proper officer for a further period not exceeding ninety days. Various representations have been received for further extension of the said period beyond the period of 180 days, as mandated in law.</i>	<i>1. It is clarified that in case of long running exhibitions (for a period more than 180 days), the taxable person cannot be treated as a CTP and thus such person would be required to obtain registration as a normal taxable person.</i> <i>2. While applying for normal registration the said person should upload a copy of the allotment letter granting him</i>
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Registration

		<p><i>permission to use the premises for the exhibition and the allotment letter / consent letter shall be treated as the proper document as a proof for his place of business.</i></p> <p><i>3. In such cases he would not be required to pay advance tax for the purpose of registration.</i></p> <p><i>4. He can surrender such registration once the exhibition is over.</i></p>
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Multiple Registrations of a Casual Taxable Person in a State

In case a casual taxable person has multiple business verticals within one State, then he can apply for multiple registrations within the State.

Chapter 3

Deposit and Payment of Tax

Advance Deposit of Tax

As per the provisions of Section 27 of the CGST Act, 2017, a casual taxable person has to make an advance deposit of tax in an amount equivalent to the estimated tax liability for the period for which the registration is sought, at the time of submission of application for registration.

Accordingly, a casual taxable person has to deposit the amount of tax equal to the estimated tax liability in advance before the registration itself. Now, the provision requires the deposit of estimated tax liability. A registered casual taxpayer is required to discharge tax liability of its outward supplies. On the parallel side, it is also entitled to claim the input tax credit on its inward supplies. Now, a question arises as to whether the estimated tax liability to be deposited in advance should be the gross liability or the tax liability net of the eligible input tax credit.

To address this ambiguity, a clarification has been issued in *Circular No. 71/45/2018-GST dated 26.10.2018* which states that it has been noted that while applying for registration as a casual taxable person, the FORM GST REG-1 (S. No. 11) seeks information regarding the “estimated net tax liability” only and not the gross tax liability. It is accordingly clarified in the circular that the amount of advance tax which a casual taxable person is required to deposit while obtaining registration should be calculated after considering the due eligible ITC which might be available to such taxable person.

Hence, to comply with the provision for advance deposit of tax, a casual taxable person has to estimate the value of supplies, the tax liability thereon and the eligible input tax credit for the period of operation to arrive at the estimated net tax liability to be deposited in electronic cash ledger.

It is also important to note that the estimated supplies have to be separately identified among inter-State supplies or intra-State supplies so that IGST, CGST, SGST and cess liability on such estimated supplies can be separately identified as such information is required to be provided in the registration application and the tax liability so estimated has to be deposited in the

Deposit and Payment of Tax

electronic cash ledgers of IGST, CGST, SGST and cess separately in advance.

As explained in the procedure for registration, a person applying for registration as a casual taxable person is given a temporary reference number (TRN) by the common portal for making an advance deposit of tax.

Using such TRN, the applicant has to log in at the common portal and enter the amounts of estimated supplies and net tax liability and generate a challan from the option available on the window to 'Generate Challan'.

The amounts have to be deposited in the respective electronic cash ledgers by available modes of payment.

The amount so deposited gets credited and remains in the electronic cash ledger of the registered person.

Payment of Tax

The advance tax deposited at the time of registration is not utilized or debited from electronic cash ledger. It remains in the electronic cash ledger of the registered person only.

It can be utilized against payment of actual tax liability at the time of furnishing of GST returns for the period of registration in the manner of utilization as per provisions of law. Hence, the payment of tax to the Government is made by utilization of the tax amount from electronic cash ledger at the time of furnishing monthly GSTR-3B for the period of registration.

Excess or Short Deposit

If such tax deposited in advance is less than tax liability on the supplies made after registration, then the casual taxable person needs to deposit the extra tax payable on the supplies within the due dates of payment of tax which is the due date of furnishing of GSTR-3B.

If a person has deposited the excess tax in advance, then such excess tax deposited can be claimed as a refund after all the returns for the period of operation have been filed. The provisions and procedure for refund have been discussed further.

Interest on Late Payment of Tax Liability

There is no provision for levy of interest on a short deposit of advance tax. Hence it does not attract any interest.

However, Section 50 requires every person to pay interest if he fails to pay the tax or any part thereof to the Government within the prescribed period which is the due date to file the return under Section 39.

It implies that if a casual taxable person fails to furnish any part of the tax liability of a month up to the due date of furnishing of GSTR-3B payable in cash, interest at the rate of 18% shall be attracted.

Chapter 4

Returns

Requirement of Regular Returns

As per the GST Act(s), a casual taxable person is required to furnish the returns under Sections 37, 38 and 39 of the CGST Act as prescribed in the CGST Rules as under:

- (a) FORM GSTR-1, giving the details of outward supplies.
- (b) FORM GSTR-2, giving the details of inward supplies.
- (c) FORM GSTR-3 for a detailed summary of both the above returns and payment of taxes.

However, FORM GSTR-2 and FORM GSTR-3 are not in operation as of now and the rules have prescribed for furnishing of return in FORM GSTR-3B on the GST portal.

Hence, the returns to be filed by a casual taxable person as per the provisions in force at present are:

- 1. FORM GSTR-1 – Invoice wise details of outward supplies of goods or services.
- 2. FORM GSTR-3B – Consolidated Summary of outward and inward supplies.

Due Dates for Filing Returns

Return	Criteria	Due Date
FORM GSTR-1	Aggregate Turnover (at PAN level) in preceding/current Financial Year more than ₹ 1.5 crores	11 th of subsequent month (Notified for every month under Section 148. As of now, notified up to March 2020)
FORM GSTR-1	Aggregate Turnover (at PAN level) in preceding/current	Usually notified as last day of the subsequent month after the end of the quarter.

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	Financial Year up to ₹ 1.5 crores (Option for Quarterly filing)	(Notified for every quarter under powers of Section 148. As of now, notified up to the quarter ending March 2020)
FORM GSTR-3B	Aggregate Turnover (at PAN level) in preceding/current Financial Year more than ₹ 5 crores	20 th of succeeding month (Notified for every month vide powers conferred by section 168)
FORM GSTR-3B	Aggregate Turnover (at PAN level) in preceding/current Financial Year up to ₹ 5 crores	For some States – 22 nd of the subsequent month For remaining States – 24 th of the subsequent month (Notified for every month vide powers conferred by section 168)

Option for Quarterly Filing of Form GSTR-1

As stated above, the Government notified an option for quarterly filing of FORM GSTR-1 for registered persons having an aggregate turnover of up to ₹ 1.5 crore in the preceding financial year or the current financial year.

The GST portal allows opting for monthly or quarterly filing of FORM GSTR-1 once at the time of filing first FORM GSTR-1 after registration or at the beginning of the Financial Year and the option selected has to be followed for a year and one cannot switch from monthly filing to quarterly filing before the end of Financial Year.

The option for quarterly filing is available for all registered persons. Hence it is available for casual taxable persons also if the aggregate turnover of the person (at all India basis) having CTP registration is up to 1.5 crore rupees in the preceding financial year or the current financial year.

Late Fees for the Delay in Filing Returns

Section 47 of the CGST Act, 2017 provides for levy of late fee for failure to furnish details under GSTR-1 and return under GSTR-3B by the due date. The late fee is ₹ 100 for every day during which such failure continues subject to a maximum amount of ₹ 5000.

Hence, reading the provision in the CGST Act in conjunction with the respective SGST Act a late fee of ₹ 200 per day subject to a maximum amount of ₹ 10,000 is leviable for the delay in filing returns.

However, as of now, a late fees of ₹ 25 each under CGST and SGST has been notified for the delay in filing of GSTR-3B.

Requirement of Annual Return

A casual tax person is *not required* to file an annual return as required to file by a regularly registered taxpayer.

Chapter 5

Implications of the Concept of Deemed Supply

There is a concept of deemed supplies under GST. The concept has also been termed as 'cross charge' in common business parlance. The relevant provisions and its implications for a person having CTP registration are discussed in this Chapter.

Section 25(4) of CGST Act provides that a person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.

In simpler words, a person having two separate GST registrations with the same PAN shall be treated as distinct persons.

Further, Section 7 providing for the scope of supply read with Schedule I to the CGST Act *provides that supply of goods or services between distinct persons, when made in the course or furtherance of business are activities to be treated as supply even if made without consideration.*

Therefore, a person having normal registration in one State and a CTP registration in another State are distinct persons under the law. Any supply of goods or services between two such registrants will be a taxable supply.

Instances of Deemed Supply for Persons Having CTP Registration

(1) Stock Transfer from inter-State branches to CTP registration

A casual taxable person is a separate registration of a person in a State in which he is undertaking supplies occasionally and has no fixed place of business in such a State.

Thus, the person may be required to transfer goods from the State(s) where it undertakes the regular course of business or where it has its fixed place of business to the State where CTP registration has been obtained for making supplies for a particular duration.

Implications of the Concept of Deemed Supply

Such stock transfers from regular registrations in one State to the CTP registration in another State will be a deemed supply even where no consideration is payable between the branches.

Example:

Mr. A dealing in the manufacture of textile products in Rajasthan participates in an exhibition in Delhi where goods will be available for display and sale. Mr. A will send goods from his factory in Rajasthan to Delhi for the exhibition.

The transfer of stock from Rajasthan to Delhi will be a taxable supply even when no consideration is payable between the parties. Mr. A will have to raise a tax invoice from Rajasthan GSTIN for Delhi CTP GSTIN and pay IGST. Further, Delhi CTP GSTIN can avail input tax credit of such tax charged and utilize it against its output tax liability on sales made from Delhi.

(2) Support Services provided by regular registered branches to CTP branches

A registered person carrying on business in one State and planning to undertake supply in another State occasionally may provide various services to the inter-State branch having CTP registration in order to facilitate the business occasionally undertaken in such State.

Since both the branches are distinct persons as per Section 25, the supply of services by the normally registered branches to the CTP branches even without any consideration tantamount to deemed supply under the Act requiring cross charge from normal registration to CTP and liability to pay tax accordingly. The CTP registrant will be eligible to avail the ITC on such services as per provisions of law.

(3) Services availed by regular registered branches for use by CTP branches

A person carrying on business and having regular registration in one State and planning to undertake supply in another State occasionally may avail various services in the regular registration for use in relation to supplies occasionally undertaken by CTP registration.

For example, Mr. Mazid is a jeweller registered in Rajasthan planning to participate in Gem & Jewellery India International Fair (GJIIF) in Chennai in December 2020. He has availed services for designing display boards and cases in which the jewellery will be showcased in the exhibition in

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October 2020 and the vendor has raised tax invoice for its services in October 2020 only on the Rajasthan GSTIN of Mr. Mazid.

As per the concept discussed above, Rajasthan GSTIN is required to cross charge CTP registration for such services.

Chapter 6

Input Tax Credit

One of the most important aspects of GST Law is the eligibility and claim of input tax credit of tax charged on inward supply of goods and/or services used by a person.

Section 16 of the CGST Act, 2017 lays down the eligibility criteria and conditions for availing the input tax credit. The provision allows a credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business to every registered person subject to prescribed conditions and restrictions.

The conditions for entitlement of input tax credit are as under:

1. Possession of tax invoice or debit note issued by a supplier
2. Receipt of goods and/or services
3. Actual payment of tax charged in respect of such supply to the Government
4. Furnishing the return under section 39

A casual taxable person being a registered person under the Act is also eligible for the input tax credit as per the above provisions and on fulfilment of the above-said conditions.

It is important to understand that all the prescribed conditions and restrictions for input tax credit are also applicable to a casual taxable person as applicable to a regular registered taxpayer.

Conditions and Restrictions

The conditions and restrictions as prescribed in the rules for input tax credit are discussed below.

(1) Rule 36: Documentary requirements and conditions for claiming the input tax credit

As per the rules, the input tax credit can be availed by a registered person based on any of the following documents:

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- (a) an invoice issued by the supplier under section 31;
- (b) a purchase invoice for inward supplies under reverse charge under section 31(3) (f), subject to the payment of tax;
- (c) a debit note issued by a supplier under section 34;
- (d) a bill of entry

A casual taxable person can avail credit of input tax charged by the suppliers on goods or services used by it only based on any of the above documents.

- It means that a casual taxable person should ensure that the tax invoices issued by registered vendors in respect of goods and/or services provided shall be proper as per Section 31 read with Rule 46 and have all the details required therein.
- Further, a casual taxable person has to raise purchase invoice for inward supplies provided by unregistered vendors which are taxable under reverse charge to claim the credit of tax paid on such supplies.

(2) Restriction on credit on the basis of GSTR-2A

There is a provision inserted in CGST Rules vide Notification No. 49/2019-Central Tax dated 09.10.2019 which restricts input tax credit to be availed by a registered person in respect of documents for which details have not been furnished by suppliers in their GSTR-1 and hence they are not reflected in GSTR-2A of the recipient.

Rule 36(4) of CGST Rules, 2017 provides as under:

“(4) Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, shall not exceed 10 per cent of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.”

The provision has been expressly reproduced above for analysis. Since the provision is applicable for a registered person without any exceptions, it is applicable to a casual taxable person also.

The credit can be taken only when details are furnished by the supplier in its GSTR-1. This provision may pose an issue for a casual taxable person that the credit is not reflected in the period during which the registration of CTP

remains in force. A casual taxable person can file returns only for the period of validity of its registration. If credit for the said period is uploaded by the supplier after due dates of filing of returns and the same is not reflected up to the filing of monthly GSTR-3B by the casual taxpayer for its validity period, there is no option for the taxpayer to claim such credit.

Further, certain suppliers may have opted for quarterly filing of GSTR-1 for which the due dates under Section 37 are the end of the month after the end of the quarter. If a casual taxpayer has availed inward supplies from such taxpayer, and the validity of its registration ends before the due date of filing of GSTR-1 for the supplier, he will not be able to avail credit on invoices issued by such supplier.

Example:

XYZ & Co. has taken a CTP registration in Goa for October to December 2019. He has availed services of an architect for booth decor whose aggregate turnover is below ₹ 1.5 crores and he has opted for quarterly filing of FORM GSTR-1. The architect raised its tax invoice in December. The due date for filing of FORM GSTR-1 for him is 31st Jan 2020 and he files the returns on 22nd Jan 2020 well within the due date.

The due date for XYZ & Co., Goa to file its FORM GSTR-3B for December 2019 is 20th Jan 2020.

It is obvious, that the invoice will not be reflected in FORM GSTR-2A of XYZ & Co., Goa.

One school of thought to this situation may suggest that ITC is not eligible in view of the restriction under Rule 36(4). However, it is an unnecessary restriction on a legal and eligible right and it should not be restricted. The practical solutions to this issue may be as under:

- Avail Input Tax Credit in monthly Form GSTR-3B since furnishing of quarterly GSTR-1 by the supplier within its notified due date is sufficient compliance of Rule 36(4).

There can be an interpretation of the provisions as under:

In simpler words, Rule 36(4) provides that ITC in respect of invoices/debit notes not uploaded by the suppliers under Section 37(1) shall not exceed 10 per cent of the eligible credit on invoices/debit notes uploaded by the suppliers under Section 37(1).

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Section 37(1) requires every registered person to furnish the details of outward supplies effected during a tax period on or before the tenth day of the month succeeding the said tax period.

Rule 59 provides that every registered person required to furnish the details of outward supplies under section 37, shall furnish such details in FORM GSTR-1.

Thereafter, the option for quarterly filing of GSTR-1 has been given by exercise of powers conferred by section 148 of the CGST Act, 2017.

On a combined reading and analysis of the above provisions, it has to be accepted that quarterly GSTR-1 filed within the notified due dates are filed as per Section 37(1) only.

The understanding is strengthened by the fact that late fee is not levied on quarterly Form GSTR-1 filed up to the due dates because it is accepted that the supplier has not failed to furnish return under Section 37 by the due date.

Hence, non-reflection of invoices of quarterly Form GSTR-1 filers in Form GSTR-2A of the recipient before their due date does not amount to invoice not uploaded by the supplier under Section 37(1) and hence it cannot attract the restriction of Rule 36(4) and can be availed in monthly returns.

- The other practical option is to avail the credit under the 10% adhoc credit which can be availed in addition to the credit in respect of invoices uploaded by the suppliers.

(3) Reversal of ITC for non-payment of consideration within 180 days

Section 16 of the Act has a provision to the effect that where a recipient fail to pay to the supplier of goods or services, the amount of value of supply along with tax payable within *180 days* from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon.

By virtue of the powers conferred by the above Section, Rule 37 provides that the registered person shall be liable to pay interest at the rate notified under Section 50(1) for the period starting from the date of availing credit on such supplies till the date when the amount added to the output tax liability is paid.

The above provisions require every recipient to reverse ITC on non-payment and hence they should be squarely applicable to a casual taxable person. However, since the maximum period of validity of registration of CTP is 180 days only, in respect of any invoice issued to a CTP, the period of 180 days will not expire during the validity period of its registration.

As far as the provisions of law can be interpreted, if a casual taxable person does not make payment of the value of supply along with taxes to the suppliers for inward supplies, they shall be mandated to reverse the ITC. A CTP can be asked to reverse ITC under such provision at the time of assessment and be required to pay interest applicable as per the above provisions.

It should also be noted that in this regard, there is an exception to the above provision for reversal of ITC due to non-payment to the supplier according to which the *value of supplies* made without consideration as specified in Schedule I of the Act (precisely deemed supplies) shall be deemed to have been paid for the above provision and hence it will not attract reversal of ITC or interest thereon.

Therefore, in respect of supplies made to a CTP registrant by inter-State branches of the same entity or by related persons without consideration, the above relaxation will be available and ITC reversal or charging of interest will not be attracted due to non-payment of the value of supplies.

(4) Availability of credit on goods or services availed before registration

A person shall be entitled to take credit of input tax in respect of inputs held in stock (in form of inputs, semi-finished or finished goods) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act.

A person who has applied for registration under this Act within 30 days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take input tax credit.

Chapter 7

Refunds

Refund of Advance Tax Deposited

A casual taxable person has to make payment of total estimated net tax liability for the period of operation in advance. It is obvious, that the estimation can result in both excess or deficient payment when the actual supplies are made.

Where advance deposit of tax exceeds the actual net tax liability, a casual taxpayer has an option to claim a refund of the excess tax paid which remains as a balance in the electronic cash ledger.

It is important to note that the balance of advance tax deposited by a casual taxable person can be refunded only after all the returns under Section 39, i.e. Form GSTR-3B (in force at present) have been furnished in respect of the entire period for which the certificate of registration was granted to him had remained in force.

As per the provisions of Section 49 of the CGST Act, the balance in the electronic cash ledger after payment of tax, interest, penalty, fee or any other amount payable under the Act or rules, may be refunded under the provisions of section 54.

Section 54 provides that a registered person, claiming refund of any balance in the electronic cash ledger in accordance with the above provisions of Section 49(6) may claim such a refund in the return furnished under section 39.

In line with the above provisions, it has been prescribed under the CGST Rules that any claim for refund relating to balance in the electronic cash ledger may be made through the return furnished for the relevant tax period in FORM GSTR-3.

Therefore, a casual taxable person is eligible for the refund of any balance of the advance tax deposited by him in the electronic cash ledger after adjusting his tax liability.

Refunds

As per the Rules, the refund relating to balance in the electronic cash ledger has to be made in terms of Serial no. 14 of the last FORM GSTR-3 return required to be furnished by him (instead of FORM GST RFD 01).

However, the filing of the FORM GSTR-3 has been *suspended* ever since the inception of GST.

Therefore, for claiming the refund of excess tax deposited in advance in electronic cash ledger, a casual taxable person has to file the Refund Application only in FORM GST RFD-01.

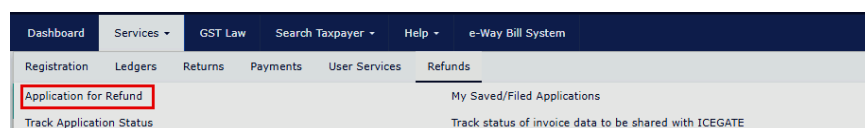
Now, since the refund pertains to a balance available in the electronic cash ledger of the casual taxpayer, the refund shall be applied in the category "Refund of excess balance in the electronic cash ledger" in FORM GST RFD-01 at the common portal.

The refund has to be compulsorily sought through the GST portal because the manual refund application process has been done away with by a Circular issued by CBIC for 'Fully electronic refund process through FORM GST RFD-01 and single disbursement' *vide Circular No. 125/44/2019 – GST dated 18-11-2019* wherein it has been clearly stated that 'With effect from 26.09.2019, the applications for the given types of refunds shall be filed in FORM GST RFD-01 on the common portal and the same shall be processed electronically and the list includes 'Refund of excess balance in the electronic cash ledger'.

Procedure for Refund of Excess Tax Paid in Advance By CTP

To file the application for refund of excess balance in electronic cash ledger on the GST Portal, the following steps are to be followed:

1. Access <https://www.gst.gov.in/> URL. The GST Home page is displayed.
2. Click the Services > Refunds > Application for Refund command.



3. Select the refund type page is displayed. Select the reason as *Refund of Excess Balance in Electronic Cash Ledger* option.

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- Click the CREATE button.

Goods and Services Tax

Dashboard Services GST Law Search Taxpayer Help e-Way Bill System

Dashboard Refunds English

GSTIN : 12GDOPS9138G1Z1 Legal Name : TUSIRON SANGMA Trade Name : aasssddf

Select the Refund type:

Refund type	CREATE
<input checked="" type="radio"/> Refund of Excess Balance in Electronic Cash Ledger	CREATE
<input type="radio"/> Refund of ITC on Export of Goods & Services without Payment of Tax	CREATE
<input type="radio"/> On account of supplies made to SEZ unit/ SEZ developer (without payment of tax)	CREATE
<input type="radio"/> Refund on account of ITC accumulated due to Inverted Tax Structure	CREATE
<input type="radio"/> On account of Refund by Recipient of deemed export	CREATE
<input type="radio"/> Refund on account of Supplies to SEZ unit/ SEZ Developer (with payment of tax)	CREATE
<input type="radio"/> Export of services with payment of tax	CREATE
<input type="radio"/> Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice versa	CREATE
<input type="radio"/> On account of Refund by Supplier of deemed export	CREATE
<input type="radio"/> Any other (specify)	CREATE
<input type="radio"/> Excess payment of tax	CREATE

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Site best viewed at 1024 x 768 resolution in Internet Explorer 10+, Google Chrome 49+, Firefox 45+ and Safari 6+

- The GST RFD-01 - Excess Balance in Electronic Cash Ledger page will be displayed.

Dashboard Refunds Excess Balance in Electronic Cash Ledger English

GSTIN/UIN : 12GDOPS9138G1Z1 Legal Name : TUSIRON SANGMA Trade Name : aasssddf

Status : Draft

GST RFD-01 - Excess Balance in Electronic Cash Ledger

Refund Amount Details

Balance Available in Cash Ledger (in INR)

	Tax (₹)	Interest (₹)	Penalty (₹)	Fee (₹)	Others (₹)
Integrated Tax	0.00	0.00	0.00	0.00	0.00
Central Tax	25,000.00	0.00	0.00	0.00	0.00
State/UT Tax	23,000.00	0.00	0.00	3,000.00	0.00
Cess	25,000.00	0.00	0.00	0.00	0.00

Enter the Amount of Refund (<=amount in the Cash Ledger) to be claimed in the below table.

Refund Claimed (in INR)

	Tax (₹)	Interest (₹)	Penalty (₹)	Fee (₹)	Others (₹)	Total (₹)
Integrated Tax	₹0	₹0	₹0	₹0	₹0	0
Central Tax	₹0	₹0	₹0	₹0	₹0	0
State/UT Tax	₹0	₹0	₹0	₹0	₹0	0
Cess	₹0	₹0	₹0	₹0	₹0	0
Total	0	0	0	0	0	0

[Click to view Electronic Liability Ledger](#)

Note: You may view the Electronic Liability Register that displays your liabilities/ dues of Returns and other than Returns. Hence, you may save this Refund Application and navigate to the dashboard to settle the dues first, or may proceed here to file the application. Please note that the recoverable dues shall be deducted from the gross amount to be paid from the Refund Amount claimed in the refund application received, by the Refund Processing Officer while processing the Refund.

Bank Account Number

Select Account Number*

Note: In case you seek to change the preference of the bank account which is not appearing in the drop down list, please add bank account by filing non-core amendment of registration form. Disbursement of a refund amount will be credited to the selected account here.

Upload Supporting Documents

Enter Document Description

No file chosen

- Only PDF file format is allowed.
- Maximum file size for upload is 5MB.
- Maximum 4 supporting documents can be attached in the application.

6. The Balance amount available in electronic cash ledger will be auto-populated in Form GST RFD-01.
7. Enter the amount of refund to be claimed for integrated tax, Central Tax, State/ UT Tax and Cess in table "Refund Claimed". The amount of refund to be claimed cannot be more than the balance amount available in electronic cash ledger.
9. In the bank account number section, select the account number from the Select Account Number drop-down list.
10. Under section UPLOAD SUPPORTING DOCUMENTS, one can upload supporting documents (if any).

Documents to be Uploaded in Refund Application

The documents which may be required and uploaded for a refund of advance tax deposited by a casual taxable person may vary from case to case and a suggestive list is as under:

- (a) A covering letter explaining the reason of refund claimed from electronic cash ledger
- (b) Contract/consent letter/any other document evidencing activities undertaken in the state
- (c) Consolidated details of actual net tax liability for the period of operation and calculation of excess tax liability deposited in advance claimed as refund
- (d) A certificate issued by a chartered accountant or a cost accountant in a standard format given in CGST Rules (Annexure 2) to the effect that

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the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees:

ANNEXURE-2

Certificate [rule 89(2)(m)]

This is to certify that in respect of the refund amounting to ₹ <<>> ----- (in words) claimed by M/s----- (Applicant's Name) GSTIN/ Temporary ID----- for the tax period < ---->, the incidence of tax and interest, has not been passed on to any other person.

This certificate is based on the examination of the books of account and other relevant records and returns particulars maintained/ furnished by the applicant.

Signature of the Chartered Accountant/ Cost Accountant:

Name:

Membership Number:

Place:

14. Click the **SAVE** button.
15. A success message will be displayed that "Your application has been saved. You can retrieve this application and submit within 15 days from the date of submission. You can access the Application from SERVICES > REFUNDS > MY SAVED/FILED APPLICATIONS and file the same on the GST Portal."

Chapter 8

Surrender or Cancellation of Registration

There is no specific provision mandating a casual taxable person to apply for cancellation of registration after the expiry of its period of validity. On the completion of the validity period, the status of registration gets converted to 'Inactive'.

However, a casual taxable person can, on its own option, surrender its registration at any time as desired.

Requirement to File Final Return on Cancellation

Section 45 of the Act requires every registered person who is required to furnish a return under Section 39(1) and whose registration has been cancelled shall furnish a final return in Form GSTR-10 within 3 months of the date of cancellation or date of order of cancellation, whichever is later.

A casual taxable person has to file the return under Section 39(1) i.e. Form GSTR-3B in force. Hence, it is required to furnish a final return on the cancellation of its registration.

Whether this return needs to be filed when the validity of the registration period expires?

As per the provisions of law, there is no requirement for a casual taxable person to file any application of cancellation neither the procedure require the proper officer to issue any order for cancellation.

However, the status of the registration gets cancelled on the expiry of the validity period. Since a basic reading of provisions suggests filing of final return on cancellation, it is suggestive to file the final return after the expiry of the validity period.

A clarification is sought from Government in this regard.

In the event of cancellation of registration, one aspect requiring attention is the provision under Section 29(5) which requires every registered person whose registration is cancelled to pay an amount, equivalent to the credit of

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input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, by way of debit in the electronic credit ledger or electronic cash ledger.

The Rules also require that the above details shall be duly certified by a practicing Chartered Accountant or Cost Accountant.

The details of inputs/capital goods as required in accordance with above provisions have to be finished in the final return at invoice level. Further, the tax thereon has to be paid.

The invoice details of the stock shall be duly certified by a Practicing Chartered Accountant or Cost Accountant and a copy of the certificate has to be uploaded at the GST portal in FORM GSTR-10 while filing the details. The format of details of stock to be entered in Final Return is as under:

8. Details of inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and capital goods/plant and machinery on which input tax credit is required to be reversed and paid back to Government

8(a) Inputs held in stock.

No of records	Value (As adjusted by debit/credit note) (₹)	Input tax credit/Tax payable (whichever is higher)			
		Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
0	0.00	0.00	0.00	0.00	0.00

8(b) Inputs contained in semi-finished or finished goods held in stock.

No of records	Value (As adjusted by debit/credit note) (₹)	Input tax credit/Tax payable (whichever is higher)			
		Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
0	0.00	0.00	0.00	0.00	0.00

8(c) Capital goods/plant and machinery held in stock.

No of records	Value (As adjusted by debit/credit note) (₹)	Input tax credit/Tax payable (whichever is higher)			
		Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
0	0.00	0.00	0.00	0.00	0.00

Surrender or Cancellation of Registration

8(d) Inputs held in stock or inputs as contained in semi-finished/finished goods held in stock.

No of records	Value (As adjusted by debit/credit note) (₹)	Input tax credit/Tax payable (whichever is higher)			
		Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
0	0.00	0.00	0.00	0.00	0.00

Format of CA Certificate (Suggested)

Independent Practitioner’s Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of Section 29(5) of the said Acts and Rule 44(5) of the Rules issued thereunder

Appropriate Addressee

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated.....
2. M/s. (hereinafter referred to as the “applicant”) is a registered person vide GSTIN..... and is having its principal place of business at in the State of The applicant has the following additional places of business in the State/s of:
 - (a)
 - (b)

The registration of the principal place of business and the other places of business in the State of is applied on within the stipulated time of 30 days from the date of becoming liable to obtain registration.

3. The applicant has been paying taxes u/s 9 of the CGST / SGST Act, 2017 w.e.f. up to On the registration of applicant has been cancelled under Section 29 of the CGST / SGST Act, 2017.
4. In terms of Section 29(5) of the CGST and SGST Act, every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock

and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery (as reduced by the prescribed percentage points) on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher under the CGST / SGST Act, 2017 i.e. by declaring the same, electronically, on the common portal in Form GSTR-10.

5. As per Rule 44(3) of the CGST Rules, where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount mentioned in para 4 above, based on the prevailing market price of the goods on the effective date of the occurrence of the event specified in section 29(5) of the CGST Act and SGST Act.

The details so furnished in the above statement shall be duly certified by a Practicing Chartered Accountant or A Cost Accountant.

Late Fees for Non-Filing of Final Return

Section 47 of the CGST Act, 2017 provides for levy of late fee of ₹ 100 for every day during which such failure continues subject to a maximum amount of ₹ 5000/-.

Hence, reading the CGST Act and respective SGST Act in conjunction, late fee of ₹ 200 per day subject to a maximum amount of ₹ 10,000 is leviable for the delay in filing of final return.

Chapter 9

Demand, Recovery and Assessment Proceedings

Q1. Can demand and recovery proceedings be initiated against a casual taxable person?

Ans. The provisions for demand and recovery under Sections 73 and 74 of CGST Act, 2017 provide that a proper officer shall serve notice on the person chargeable with tax if it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilized for any reason.

It implies that the entity having CTP registration can be subjected to demand and recovery proceedings in relation to its CTP registration.

Q2. What is the time limit for proceedings under Section 73 or 74 for a casual taxable person?

Ans. The time limit under the above provisions are as under:

Section 73 – Three years from the due date for furnishing of *annual return* for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within three years from the date of erroneous refund.

Section 74 – Five years from the due date for furnishing of *annual return* for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.

However, a casual taxable person is not required to file annual returns as per Section 44 of the Act.

Hence, there should be clarification from the Government in respect of the time limit for the invocation of Sections 73 and 74 in respect of a casual taxable person.

Chapter 10

Multiple Choice Questions (MCQs)

- Q1.** A person applying for registration as a casual taxable person shall be given a temporary reference number by the Common Portal _____.
- a. **For making an advance deposit of tax**
 - b. For filing GST returns
 - c. For payment of tax to government
 - d. None of the above
- Q2.** Mr. A has been registered as a casual taxable person, for an exhibition held at Delhi. While obtaining registration, Mr. A deposited some amount as advance deposit of tax and after end of registration period, the amount left from such advance deposit is ₹ 20,000. The certificate of registration was in force for the whole period but Mr. A was unaware of furnishing returns under section 39. Can he claim the refund of balance of advance tax deposited?
- a. Yes
 - b. **No**
- Q3.** The application form for registration by casual taxable person is:
- a. **GST REG-01**
 - b. GST REG-02
 - c. GST REG-09
 - d. None of the above
- Q4.** Which of the following statement is true for Mr. A based in Delhi dealing in manufactured textile articles, having aggregate turnover of ₹ 10 lakhs and going to participate in an exhibition in Rajasthan?
- a. Mr. X is not required to take registration in any State
 - b. Mr. X is required to get registration under GST in Delhi for making inter-State supplies

Multiple Choice Questions (MCQs)

- c. Mr. X is required to get CTP registration in Rajasthan
 - d. **Both (b) and (c) above**
- Q5.** Registration certificate granted to casual taxable person will be valid for:
- a. Period specified in the registration application
 - b. 90 days from the effective date of registration
 - c. Later of (a) or (b)
 - d. **Earlier of (a) or (b)**
- Q6.** Registration certificate granted to casual taxable person can be extended for:
- a. 90 days in addition to original validity period
 - b. 180 days in addition to original validity period
 - c. **90 days in addition to 90 days from the effective date of registration**
- Q7.** Which of the following statement is false?
Mr. X, a casual taxable person,
- a. Can file his GST returns quarterly.
 - b. Can get his registration period extended beyond 90 days.
 - c. **Can opt for composition scheme**
 - d. Has to deposit actual tax liability in advance
- Q8.** Mr. B has registered himself as a casual taxable person for an exhibition program conducted at Delhi. The program was scheduled to end after 170 days, but later was extended by 20 days, in such a case
- a. Mr. B can further extend his existing registration period for 20 days
 - b. **He has to convert his registration from casual taxable person to normal taxable person**
 - c. He has to mandatorily shut down his business
 - d. None of the above

Chapter 11

Frequently Asked Questions (FAQs)

- Q1.** Whether a person registered in one State needs to take CTP registration for goods taken by it to different State exclusively for exhibition or display purpose and not sale therefrom?

What are the documents requirements for such a movement of goods?

- Ans.** No. CTP registration is required to be taken only when *supply is to be made in a State* where the person has no fixed place of business. Hence CTP registration is not required if the goods are not sold in the State of the exhibition.

Movement of goods by a registered person to another State for exhibition or display and not for sale in that State, can be made on delivery challan to be issued by the registered person, the movement being for reasons other than supply. E-way Bill is also required to be generated on the basis of such delivery challan.

- Q2.** Whether the amount required to be deposited as advance tax while taking registration as a CTP should be 100% of the estimated gross tax liability or the estimated tax liability payable in cash should be calculated after deducting the due eligible ITC which might be available to CTP?

- Ans.** The “*estimated net tax liability*” only and not the gross tax liability, after considering the due eligible ITC which might be available to such taxable person needs to be paid as an advance tax by a CTP while taking registration.

A clarification was issued in *Circular No. 71/45/2018-GST* dated 26-10-2018 regarding this issue. It has been noted that while applying for registration as a casual taxable person, the FORM GST REG-01 (S. No. 11) seeks information regarding the “*estimated net tax liability*” only and not the gross tax liability. It is accordingly clarified in the circular that the amount of advance tax which a casual taxable person is required to deposit while obtaining registration should be calculated after considering the due eligible ITC which might be available to such taxable person.

Frequently Asked Questions (FAQs)

Q3. Does every person require CTP registration for making supply in a State on a temporary basis even if his aggregate turnover does not exceed the basic threshold and normal registration is not required in any State?

Ans. In general, aggregate turnover does not matter and compulsory registration is required for a casual taxable person.

However, *vide Notification no. 56/2018- Central Tax* dated 23/10/2018, the Government has granted exemption from compulsory registration to casual taxable person making taxable supplies of handicraft goods and some other specified goods whose aggregate value of such supplies does not exceed the basic threshold of registration of ₹ 20 lakhs or 10 lakhs above which a supplier is liable to be registered.

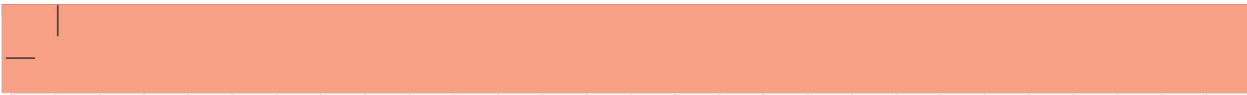
Q4. A CTP/non-resident taxable person has to make an advance deposit of tax. Will such persons have to wait till grant of registration to deposit the advance tax?

Ans. No. A person applying for registration as a CTP shall be given a temporary reference number by the Common Portal for making advance deposit of tax and the acknowledgment for submission of registration application shall be issued electronically only after the said deposit in the electronic cash ledger.

Q5. What are the returns to be filed by a casual taxpayer?

Ans. A CTP has to furnish the same returns as a normal taxpayer. A CTP has to furnish the returns FORM GSTR-1 and FORM GSTR-3B as per notified due dates.

However, a CTP does not have to file an annual return.



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