

TRANSITIONAL PROVISIONS

TRANSITION – INPUT TAX CREDIT

Which transitional Credits can be availed in GST?

Credits Available	Available To Whom	Remarks/Conditions
Carried forward in Last Return before GST	Existing Taxpayer	<ul style="list-style-type: none"> ❖ Filed returns for last 6 months before GST ❖ Credit does not relate to goods manufactured and cleared with exemption
Un availed Cenvat Credit on Capital Goods	Existing Taxpayer	For e.g. 50% credit pending to be availed in subsequent F.Y.
Credit of Duties on Inputs/WIP/FG in Stock on Appointed Day	Registered Person in GST and not eligible for Credit in existing law like: <ul style="list-style-type: none"> • Exempted Taxpayer • Works Contractor • First Stage/Second Stage Dealer • Registered Importer • Depot of Manufacturer • Composition Taxpayers 	<ul style="list-style-type: none"> • Such goods used for making taxable supply • Registered person in possession of invoice /other prescribed documents evidencing payment of duty under the existing law • Such Invoices issued in last 12 months from appointed day • Not eligible for abatement in GST • The said taxable person passes on the benefit of such ITC by the way of reduced prices to the recipient
Credits carried forward in Last Return & Credit of Duties on Inputs/Goods in Stock	Registered Person dealing in exempted and taxable goods/services in existing law, for which no exemptions are there in GST.	
Credit on Inputs/input services received post-GST but duty/taxes paid before GST	Registered Person in GST	Invoice of such inputs/input services recorded in books within 30 days of appointed day.
Credit of input services received before GST and invoices received	Input Service Distributor	Invoice raised by ISD

TRANSITIONAL PROVISIONS

Credit carried forward in Last return before GST	Registered person having Centralized Registration in Service tax	Credit can be transferred to any of registered premises coming under Centralized registration and now separately registered in GST
Credit on Input services reversed on account of non-payment of consideration	Registered Person	Can be re-claimed if payment made within 3 months from appointed day.

This is the most important transition because it is where money in form of Credits is involved. This lays down provisions about credits which can be carried forward in different situations subject to conditions thereto.

The basic conditions you will find in each situation are as under:

- Tax paid on such inputs or input services or capital goods is eligible as Credit in both existing laws as well as GST law'.
- The registered person has submitted all the returns required under the existing law for the period of six months preceding the appointed date.
- The said amount of credit does not relate to goods sold under exemption notification nos.. and claiming refund of VAT paid thereon
- Assessee is registered person in GST law. If someone applied for cancellation of registration post-migration, no credits will be allowed.

Application is required to be submitted by Every Registered Person availing credit by way of Carry forward in return or credit on inputs/goods lying in Stock in Form GST TRAN-1, within 90 days of the appointed day. The amount of credit specified in GST TRAN-1 shall be credited to the electronic ledger of the applicant maintained in Form GST PMT- 2.

- **In case of availing transitional credit on Capital Goods, the following details are to be mentioned -**
 - (i) the amount of tax or duty availed or utilised by way of input tax credit under each of the existing laws till appointed date, and
 - (ii) the amount of tax or duty yet to be availed or utilised by way of input tax credit under each of the existing laws till the appointed date;
- **In Case of Credit on Inputs/input services received post-GST but duty/taxes paid before GST, the following details are to be submitted -**
 - (i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law,
 - (ii) the description & value of the goods or services;
 - (iii) the quantity in case of goods and the unit or unit quantity code thereof,

- (iv) the amount of eligible taxes and duties or, as the case may be, the value added tax (or entry tax for states where credit is allowed) charged by the supplier in respect of goods or services, and

- (v) the date on which the receipt of goods or services is entered in the books of accounts of the recipient

Eligible Duties & Taxes For Transitional Credit; As Applicable To us:

CGST

- ✓ Excise Duty specified in First Schedule to CETA, 1985
- ✓ Excise Duty specified in Second Schedule to CETA, 1985
- ✓ Additional Duty of Excise
- ✓ Countervailing Duty (CVD)
- ✓ Special Addition Duty (SAD)
- ✓ Service Tax

SGST

- ✓ Value Added Tax
- ✓ Entry Tax (If Credit is applicable under existing state laws)

MISCELLANIOUS TRANSITION PROVISIONS

Situation	Provisions	Remarks
Duty paid goods returned back in GST regime	Refund can be claimed if returned from Unregistered person	Such Goods are removed not earlier than 6 months from appointed date & returned within 6 months of the appointed date, goods should be identifiable to proper officer
Duty paid goods returned back in GST regime	Shall be Supply if returned by registered person	Such Goods are removed not earlier than 6 months from appointed date
Exempted goods returned back in GST Regime	No tax payable under GST	Such Goods are removed not earlier than 6 months from appointed date & returned within 6 months of the appointed date
Price Revision in pursuance of contract entered before GST	Issue Supplementary Invoice/Credit Note under GST Regime	<ul style="list-style-type: none">• If SI/CN issued within 30 days of price revision.• Recipient to reverse ITC in case of Credit Note
Refund claim filed for Duty/Tax paid before GST	To be refunded in cash	Refund claim can filed

*Appointed Day/Date: It means the day or date when GST Law comes into force.

TRANSITION- JOB WORK

Inputs/goods/semi-finished goods are sent to job worker by principal before appointed date & such goods are lying with job worker as on the appointed date, the principal or the job worker is not liable for any tax provided –

- (i) Inputs/semi-finished goods are sent to the job worker in accordance to the provisions of the existing law before the appointed day. (Say as per Notification No. 214/86 C.E.)
- (ii) The job worker returns the same within six months of the appointed date (or within the extended period of maximum two months)
- (iii) Both the job worker and manufacturer declare the details of inputs held in stock by the job worker on behalf of the manufacturer on the appointed day in such form and manner and in such time period as prescribed.

If the goods are not returned within 6 months from the appointed date ITC claimed is liable to be recovered & tax is payable by the job worker.

SUMMARISING THE TRANSITION PROVISIONS AS RELEVANT TO C.B. BOX INDUSTRY

(Assuming GST will be in force from July 1, 2017)

Case 1: Manufacturer Registered Under Excise, Vat & Service Tax

- **Return filed under Excise, VAT or Service Tax shows outstanding/ excess/ unutilized balance of credit**
 - The excess input tax credit reflected in the return filed for period ended 30th June 2017 to be carried forward under GST
 - GST FORM TRAN-1 to be filed by 28th September, 2017
 - The GST FORM TRAN-1 to contain details about the credit to be carried forward
 - Excise CENVAT Credit (shown in Excise & Service Tax Return) shall be carried forward as CGST
 - Excess Vat Credit (shown in VAT Return) shall be carried forward as SGST
- **The balance is not allowed to be carried forward in the following cases:**
 - The Credit is not admissible in the GST Law
 - All returns for 6 months have not been duly filed under the Excise, VAT, Service Tax Law
 - Credit relates to goods manufactured and cleared under exemption notifications as are notified by the Government
 - VAT Credit attributable to claims related to sales under Form C, F, E1, E2, H etc not to be allowed unless the forms are duly made available
- **Return filed under Excise, VAT and Service Tax does not show outstanding balance of input credit**

Where the entire credit availed has been utilised and no outstanding, excess balance of credit is reflected in the return:

- No Credit shall be carried forward under GST
- No requirement to file any detail with respect to the stock in GST FORM TRAN-1

Case 2: Manufacturer Registered Under Vat Only

This will cover manufacturers availing SSI exemption from Excise. This will also cover manufacturers exempt from Excise and not registered with Excise.

- **Return filed under VAT shows outstanding/ excess/ unutilized balance of credit**
 - The excess input tax credit reflected in the return filed for period ended 30th June 2017 to be carried forward under GST
 - GST FORM TRAN-1 to be filed by 28th September, 2017
 - The GST FORM TRAN-1 to contain details about the credit to be carried forward
 - Excess Vat Credit (shown in VAT Return) shall be carried forward as SGST
- **The balance is not allowed to be carried forward in the following cases:**
 - The Credit is not admissible in the GST Law
 - All returns for 6 months have not been duly filed under VAT Law
 - VAT Credit attributable to claims related to sales under Form C, F, E1, E2, H etc not to be allowed unless the forms are duly made available
- **Return filed under VAT does not show outstanding balance of input credit**
 - No Credit shall be carried forward under GST in respect of VAT
- **Excise Duty, Additional Excise Duty, CVD and SAD in respect of raw materials, finishes/semi-finished stock held on 30th June 2017**
 - Credit of Excise and other related duties allowed (subject to few conditions)
 - Duty paying documents/invoices are essential
 - Date of such invoice has to be on or after 1st July 2016
 - GST FORM TRAN-1 to be filed by 28th September, 2017
 - Opening Credit on 1st July 2017 shall be shown as CGST

GOODS AND SERVICES TAX RULES, 2017
TRANSITION FORMATS

Form GST TRAN - 1
(See Rule -----)

Transitional ITC / Stock Statement

1. GSTIN -
2. Legal name of the registered person -
3. Trade Name, if any -
4. Whether all the returns required under existing law for the period of six months immediately preceding the appointed date have been furnished:-
Yes/No
5. **Amount of tax credit carried forward in the return filed under existing laws:**

(a) Amount of Cenvat credit carried forward to electronic credit ledger as central tax (Section 140(1) and Section 140(4)(a))

Sl. no.	Registration no. under existing law (Central Excise and Service Tax)	Tax period to which the last return filed under the existing law pertains	Date of filing of the return specified in Column no. 3	Balance cenvat credit carried forward in the said last return	Cenvat Credit admissible as ITC of central tax in accordance with transitional provisions
1	2	3	4	5	6
	Total				

(b) Details of statutory forms received for which credit is being carried forward

Period: 1st Apr 2015 to 30th June 2017

TIN of Issuer	Name of Issuer	Sr. No. of Form	Amount	Applicable VAT Rate
C-Form				
Total				
F-Form				
Total				
H/I-Form				
Total				

(b) **Amount of unavailed input tax credit carried forward to electronic credit ledger as State/UT tax
(For all registrations on the same PAN and in the same State)**

Sr. no	Invoice / Document no.	Invoice / document Date	Supplier's registration no. under existing law	Recipients' registration no. under existing law	Details regarding capital goods on which credit is not availed		Total eligible VAT [and ET] credit under existing law	Total VAT [and ET] credit availed under existing law	Total VAT [and ET] credit unavailed under existing law (admissible as ITC of State/UT tax) (8-9)
					Value	Taxes paid VAT [and ET]			
1	2	3	4	5	6	7	8	9	10
		Total							

7. Details of the inputs held in stock in terms of sections 140(3), 140(4)(b) and 140(6).

(a) **Amount of duties and taxes on inputs claimed as credit excluding the credit claimed under Table 5(a) and 7(a)**

Sr. no.	Details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock				
	HSN (at 6 digit level)	Unit	Qty.	Value	Eligible Duties paid on such inputs
1	2	3	4	5	6
7A Where duty paid invoices or any other document are available					
Inputs					
Inputs contained in semi-finished and finished goods					
7B Where duty paid invoices are not available (Applicable only for person other than manufacturer or service provider) – Credit in terms of Rule 1 (4)					
Inputs					

(b) **Amount of vat and entry Tax paid on inputs supported by invoices/documents evidencing payment of tax carried forward to electronic credit ledger as SGST/UTGST**

Details of inputs in stock					Total input tax credit claimed under earlier law	Total input tax credit related to exempt sales not claimed under earlier law	Total Input tax credit admissible as SGST/UTGST
Description	Unit	Qty	Value	VAT [and Entry Tax] paid			
1	2	3	4	5	6	7	8
Inputs							
Inputs contained in semi-finished and finished goods							

(c) **Stock of goods not supported by invoices/documents evidencing payment of tax (credit in terms of rule 1 (4)) (To be there only in States having VAT at single point)**

Details of inputs in stock				
Description	Unit	Qty	Value	Tax paid
1	2	3	4	5

8. Details of transfer of cenvat credit for registered person having centralized registration under existing law (Section 140(8))

Sl. No.	Registration no. under existing law (Centralized)	Tax period to which the last return filed under the existing law pertains	Date of filing of the return specified in Column no. 3	Balance eligible cenvat credit carried forward in the said last return	GSTIN of receivers (same PAN) of ITC CENTRAL TAX	Distribution document /invoice		ITC of CENTRAL TAX transferred
						No.	Date	
1	2	3	4	5	6	7	8	9
	Total							

9. **Details of goods sent to job-worker and held in his stock on behalf of principal under section 141**

a. **Details of goods sent as principal to the job worker under section 141**

Sr. No.	Challan No.	Challan date	Type of goods (inputs/ semi-finished/ finished)	Details of goods with job- worker				
				HSN	Description	Unit	Quantity	Value
1	2	3	4	7	8	9	10	11
GSTIN of Job Worker, if available								
Total								

b. **Details of goods held in stock as job worker on behalf of the principal under section 141**

Sr. No.	Challan No.	Challan Date	Type of goods (inputs/ semi-finished/ finished)	Details of goods with job- worker				
				HSN	Description	Unit	Quantity	Value
1	2	3	4	7	8	9	10	11
GSTIN of Manufacturer								
Total								

10. **Details of goods held in stock as agent on behalf of the principal under section 142 (14) of the SGST Act**

a. **Details of goods held as agent on behalf of the principal**

Sr. No.	GSTIN of Principal	Details of goods with Agent				
		Description	Unit	Quantity	Value	Input Tax to be taken
1		2	3	4	5	6

b. **Details of goods held by the agent**

Sr. No.	GSTIN of Principal	Details of goods with Agent				
		Description	Unit	Quantity	Value	Input Tax to be taken
1		2	3	4	5	6

11. Details of credit availed in terms of Section 142 (11 (c))

Sr. no	Registration No of VAT	Service Tax Registration No.	Invoice/doc ument no.	Invoice/ document date	Tax Paid	VAT paid Taken as SGST Credit or Service Tax paid as Central Tax Credit
1	2	3	4	5	6	7
			Total			

12. Details of goods sent on approval basis six months prior to the appointed day (section 142(12))

Sr No.	Document no.	Document date	GSTIN no. of recipient, (if applicable)	Name & address of recipient	Details of goods sent on approval basis				
					HSN	Description	Unit	Quantity	Value
1	2	3	4	5	6	7	8	9	10
	Total								

Verification (by authorized signatory)

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom

Place _____
Date _____
Signature
Name of Authorized Signatory
Designation /Status.....

Form GST TRAN - 2
(See Rule -----)

1. GSTIN -
2. Name of Taxable person -
3. Tax Period: month..... year.....
4. **Details of inputs held on stock on appointment date in respect of which he is not in possession of any invoice/document evidencing payment of tax carried forward to Electronic Credit ledger.**

Opening stock for the tax period			Outward supply made					Closing balance
HSN (at 6 digit level)	Unit	Qty.	Qty	Value	Central Tax	Integrated Tax	ITC allowed	Qty
1	2	3	4	5	6	7	8	9

5. **Credit on State Tax on the stock mentioned in 4 above (To be there only in States having VAT at single point)**

Opening stock for the tax period			Outward supply made				Closing balance
HSN (at 6 digit level)	Unit	Qty.	Qty	Value	State Tax	ITC allowed	Qty
1	2	3	4	5	6	8	9

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I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom

Place _____
Date _____

Signature
Name of Authorized Signatory

Designation /Status.....