

The background of the slide is a collage of Indian Rupee banknotes, including 1000 and 500 denominations, rendered in a blue color scheme. The notes are slightly blurred and overlapping, creating a textured background.

GST

GOODS & SERVICES TAX

TRNASITIONAL PROVISIONS



CARRY FORWARD OF CENVAT CREDIT/ITC

CARRY FORWARD OF CENVAT CREDIT TO A PERSON REGISTERED UNDER EARLIER ACT

Section 167

Amount of CENVAT Credit carried forward to be allowed to registered taxable person under GST other than a person opting to pay tax under composition levy

- RTP shall be entitled to take credit of the amount of eligible CENVAT credit carried forward in return filed under earlier law for the period ending immediately prior to appointed day

Section 168

Amount of un-availed* CENVAT

Credit of Capital goods to be allowed to registered taxable person under GST other than person opting to pay tax under composition levy

- RTP shall be entitled to take credit of the Un-availed CENVAT credit **not carried forward in return** filed under earlier law for the period ending immediately prior to appointed day

Provided that the taxable person shall not be allowed to take credit unless the said amount is admissible as credit under this Act.

***Un-availed amount of CENVAT credit in respect of Capital goods =**

Aggregate amount of CENVAT Credit (-) Credit already availed in respect of capital goods in earlier return

CREDIT OF ELIGIBLE DUTIES AND TAXES IN RESPECT OF INPUTS HELD IN STOCK ON THE APPOINTED DAY AND INPUTS CONTAINED IN SEMI-FINISHED OR FINISHED GOODS HELD IN STOCK [SECTION 169]

A registered taxable person (RTP)

- Who was **not** liable to be registered under the earlier law or
- Who was engaged in the manufacture of exempted goods or provision of an exempted services or
- Providing exempted works contract service and availing benefit of abatement under notification 26/2012 dated 20.06.2012
- First stage dealer (FSD) or second stage dealer(SSD) or registered importer shall be entitled to take, in his electronic credit ledger, **credit of eligible duties and taxes** in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day **subject to the following conditions:**

Such inputs and / or goods are used or intended to be used for making taxable supplies under this Act.

Said taxable person passes on the benefit of such credit by way of reduced price to the recipient

RTP is eligible for input tax credit on such inputs under this Act.

RTP is in possession of invoice and/or other prescribed documents evidencing payment of duty under the earlier law in respect of such inputs* and

Such invoices and /or other prescribed documents were issued **not earlier than twelve months** immediately preceding the appointed day.

Supplier of services is not eligible for any **abatement** under the Act.

IN RESPECT TO THE FOLLOWING CONDITION OF SECTION 169

RTP is in possession of invoice and/or other prescribed documents evidencing payment of duty under the earlier law in respect of such inputs*

“Provided that where a taxable person, other than a manufacturer or a supplier of services, is not in possession of an invoice or any other documents evidencing payment of duty in respect of inputs, then such taxable person shall, subject to such conditions, limitations and safeguards as may be prescribed, be allowed to take credit at the rate and in the manner prescribed.”

Note: This provision has been inserted keeping in mind traders dealing in excisable goods but not registered as first stage dealer (FSD), second stage dealer (SSD) or importer.

CREDIT OF ELIGIBLE DUTIES AND TAXES IN RESPECT OF INPUTS HELD IN STOCK TO BE ALLOWED IN CERTAIN SITUATIONS [SECTION 170]

A registered taxable person (RTP)

- Who was engaged in the manufacture of non-exempted as well as exempted goods under the Central Excise Act, 1944 or
- Who was engaged in the provision of non-exempted as well as exempted services under Chapter V of Finance Act, 1994

shall be entitled to take, in his electronic credit ledger-

Amount of Cenvat credit carried forward in a return furnished under the earlier law by him in terms of section 167.

Amount of Cenvat credit of eligible duties in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day, relating to exempted goods or services, in terms of section 169.

CREDIT OF ELIGIBLE DUTIES AND TAXES IN RESPECT OF INPUTS OR INPUT SERVICES DURING TRANSIT [SECTION 171]

A RTP shall be entitled to take in his electronic credit ledger-

Credit of eligible duties and taxes in respect of inputs or input services received on or after the appointed day but the duty or tax in respect of which has been paid before the appointed day.

Subject to the condition that
Invoice or any other duty/tax paying document of the same was recorded in the books of accounts of such person within a period of 30* days from the appointed day

Aforesaid period of 30 days may, on sufficient cause being shown, be extended by the competent authority for a further period not exceeding 30 days. [30 days+ 30days]*

Note: What about credit of eligible duties and taxes in respect of capital goods received on or after the appointed day but duty or tax in respect of that capital goods has been paid earlier?

CREDIT OF ELIGIBLE DUTIES AND TAXES ON INPUTS HELD IN STOCK TO BE ALLOWED TO A TAXABLE PERSON SWITCHING OVER FROM COMPOSITION SCHEME UNDER EARLIER LAW [SECTION 172 READ WITH SECTION 18(3)]

A registered taxable person (RTP)

- who was either paying tax at a fixed rate or
- paying a fixed amount in lieu of the tax payable under the earlier law

shall be entitled to take, in his electronic credit ledger, **credit of eligible duties** in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed date **subject to the following conditions:**

Such inputs and / or goods are used or intended to be used for making taxable supplies under this Act.

RTP is not paying tax under Section 9(i.e. composition levy)

RTP is eligible for input tax credit on inputs under this Act.

RTP is in possession of invoice and/or other prescribed documents evidencing payment of duty under the earlier law in respect of such inputs and

Such invoices and /or other prescribed documents were issued **not earlier than twelve months** immediately preceding the appointed day.

CREDIT DISTRIBUTION OF SERVICE TAX PAID BY ISD [SECTION 190]

Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as credit under this Act **even if the invoice(s) relating to such services is received on or after the appointed day.**

TRANSFER OF UNUTILIZED CENVAT CREDIT BY TAXABLE PERSON HAVING CENTRALIZED REGISTRATION UNDER EARLIER LAW [SECTION 191]

Taxable person having centralized registration under the earlier law who has obtained a registration under this Act,

Shall be allowed to take, in his electronic credit ledger, credit of the amount of Cenvat credit carried forward in a return, furnished under the earlier law by him,

For the period ending with the day immediately preceding the appointed day in such manner as may be prescribed

If the taxable person files above mentioned return within 3 months of the appointed day, such credit shall be allowed subject to the condition that :

- The said return is either an original return or
- A revised return where the credit has been reduced from that claimed earlier

NOTE: Taxable person shall be allowed to take credit if the said amount is admissible as input tax credit under this Act:

NOTE: Credit may be transferred to any RTP having the same PAN for which the centralized registration was obtained under the earlier law.

- Tax paid on goods lying with agents on the appointed day, shall be allowed as credit to agent.

Sec 192

- Tax paid on capital goods lying with agents on the appointed day, shall be allowed as credit to agent.

Sec 193

- Any amount of input tax credit reversed on branch transfers, prior to the appointed day shall not be admissible as credit of input tax under this Act.

Sec 194

TRANSITIONAL PROVISIONS FOR AVAILING CENVAT CREDIT IN CERTAIN CASES

[SECTION 197]

Where any Cenvat credit availed for the input services provided under the earlier law has been reversed due to non-payment of the consideration within a period of three months,



Such credit can be reclaimed



If the taxable person has made the payment of the consideration for that supply of services within a period of three months from the appointed day.

*GOODS REMOVED UNDER EARLIER
LAW AND RETURNED ON/AFTER
APPOINTED DAY*

EXEMPTED GOODS REMOVED UNDER EARLIER LAW [NOW TAXABLE UNDER GST] AND RETURNED TO PLACE OF BUSINESS ON/AFTER APPOINTED DAY [SECTION 173]

Goods had been exempt under the earlier law at the time of removal thereof and such goods had been removed not earlier than 6 months prior to the appointed day (i.e. from 1.10.2016 to 31.03.2017)

If such goods are returned within a period of 6 months from the appointed day (01.04.2017 to 30.09.2017) and such goods are identifiable to the satisfaction of proper officer

No tax shall be payable

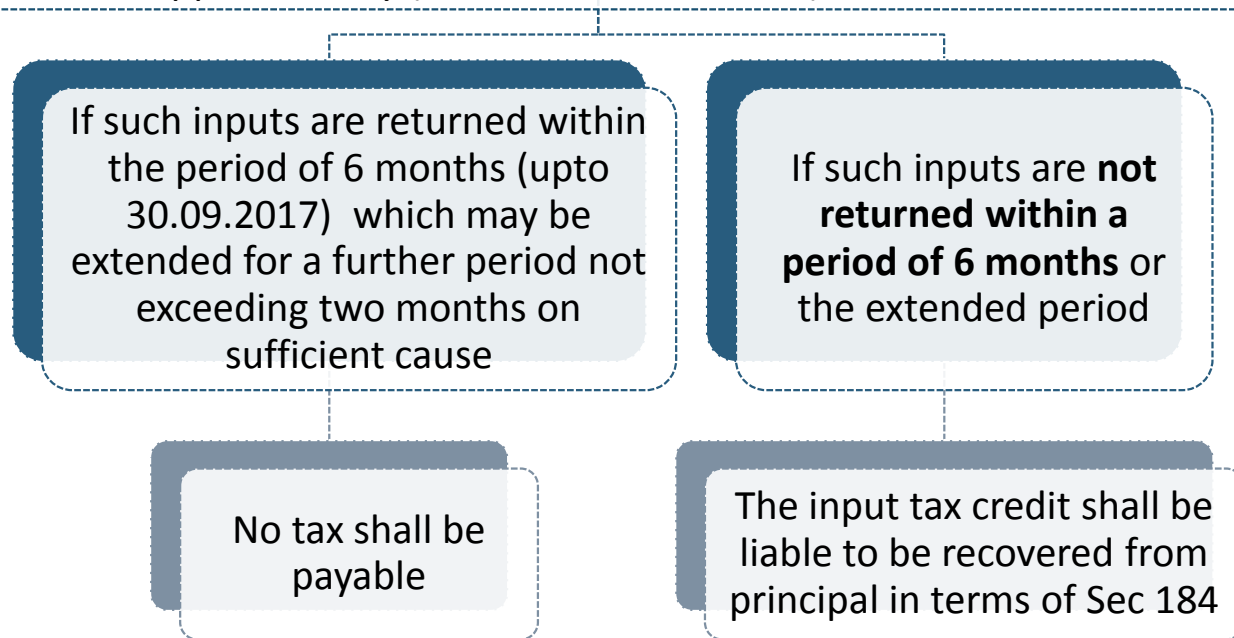
If such goods are returned after a period of 6 months from the appointed day (i.e. 01.10.2017 onwards) and such goods are liable to tax under GST

Tax shall be payable by the person returning the goods

No tax shall be payable if the goods are returned by a person who is not registered in this Act

INPUTS REMOVED FOR JOB WORK UNDER EARLIER LAW AND RETURNED ON OR AFTER THE APPOINTED DAY [SECTION 175]

Any **inputs** received in a factory had been removed as such or removed after being **partially processed to a job worker for further processing, testing, repair, reconditioning or any other purpose** in accordance with the provisions of earlier law prior to the appointed day (i.e. on or before 31.03.2017) and such inputs, after completion of the job work, are returned to the said factory on or after the appointed day (on or after 01.04.2017)



The aforesaid provisions shall apply only if the manufacturer and the job worker declare the details of the inputs held in stock by the job worker on behalf of the manufacturer on the appointed day in such form and manner and within such time as may be prescribed.

SEMI- FINISHED GOODS REMOVED FOR JOB WORK UNDER EARLIER LAW AND RETURNED ON OR AFTER THE APPOINTED DAY [SECTION 176]

Any semi-finished goods had been removed from the factory to any other premises for carrying out certain manufacturing processes in accordance with the provisions of earlier law prior to the appointed day (i.e. on or before 31.03.2017) and such goods after undergoing manufacturing processes (herein after referred to as "the said goods") are returned to the said factory on or after the appointed day (on or after 01.04.2017)

If said goods are returned within the period of 6 months (upto 30.09.2017) which may be extended for a further period not exceeding two months on sufficient cause

No tax shall be payable *

If said goods are **not returned within a period of 6 months** or the extended period

The input tax credit shall be liable to be recovered from principal in terms of Sec-184

- The manufacturer may, in accordance with the provisions of the earlier law, transfer the said goods to the premises of any registered taxable person for the purpose of supplying therefrom on payment of tax in India or without payment of tax for exports within six months or the extended period from the appointed day.
- The aforesaid provisions shall apply only if the manufacturer and the job worker declare the details of the goods held in stock by the job worker on behalf of the manufacturer on the appointed day in such form and manner and within such time as may be prescribed.

FINISHED GOODS REMOVED FOR CARRYING OUT CERTAIN PROCESSES UNDER EARLIER LAW AND RETURNED ON OR AFTER THE APPOINTED DAY [SECTION 177]

Any excisable goods manufactured in a factory had been removed **without payment of duty for carrying out tests or any other process** (not amounting to manufacture), to any other premises, whether registered or not, in accordance with the provisions of earlier law prior to the appointed day and such goods, after undergoing tests or any other process (herein after referred to as the "said goods") are returned to the said factory on or after the appointed day

If said goods are returned within the period of 6 months which may be extended for a further period not exceeding two months on sufficient cause

No tax shall be payable

If said goods **are not returned within a period of 6 months** or the extended period

The input tax credit shall be liable to be recovered in terms of Sec-184

- The manufacturer may, in accordance with the provisions of the earlier law, transfer the said goods from the said other premises on payment of tax in India or without payment of tax for exports within six months or the extended period, as the case may be, from the appointed day.

GOODS SENT ON APPROVAL BASIS UNDER EARLIER LAW AND RETURNED ON OR AFTER THE APPOINTED DAY [SECTION 195]

Goods had been sent on approval basis under the earlier law, not earlier than 6 months prior to the appointed day (i.e. from 1.10.2016 to 31.03.2017) and such goods had been rejected or not approved by the buyer and returned to the seller on or after the appointed date

If such goods are returned within the period of 6 months (upto 30.09.2017) which may be extended for a further period not exceeding two months on sufficient cause

No tax shall be payable

If such goods are returned **after a period of 6 months (i.e. 01.10.2017 onwards)** or the extended period and liable to tax under GST

Tax shall be payable by the person returning the goods

If such goods are **not returned within a period of 6 months or the extended period** and liable to tax under GST

Tax shall be payable by the person who has sent the goods

OUTPUT TAXES

ISSUE OF SUPPLEMENTARY INVOICES, DEBIT OR CREDIT NOTES WHERE PRICE IS REVISED IN PURSUANCE OF A CONTRACT [SECTION 178]



UPWARD
REVISION

Where, in pursuance of a contract entered into prior to the appointed day, the price of any goods and/or services **is revised upwards on or after the appointed day**, the taxable person who had removed / provided such goods and/or services may issue to the recipient a supplementary invoice or debit note, containing such particulars as may be prescribed, **within thirty days of such price revision** and such invoice or debit note shall be deemed to have been issued in respect of an outward supply made under this Act.




DOWNWARD
REVISION

Where, in pursuance of a contract entered into prior to the appointed day, the price of any goods and/or **services is revised downwards on or after the appointed day**, the taxable person who had removed / provided such goods and/or services may issue to the recipient a supplementary invoice or credit note, containing such particulars as may be prescribed, **within thirty days of such price revision** and such invoice or credit note shall be deemed to have been issued in respect of an outward supply made under this Act

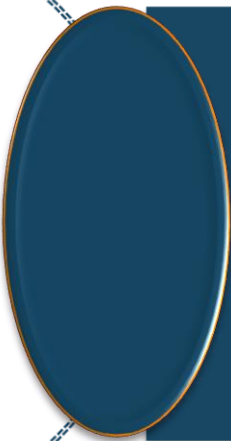
Provided that the said RTP shall be allowed to reduce his tax liability on account of issue of the said invoice or credit note only if the recipient of the invoice or credit note has reduced his input tax credit corresponding to such reduction of tax liability.

TREATMENT OF LONG TERM CONSTRUCTION / WORKS CONTRACTS [SECTION 186]



The goods and/or services supplied on or after the appointed day in pursuance of a contract entered into prior to the appointed day **shall be liable to tax** under the provisions of this Act.

PROGRESSIVE OR PERIODIC SUPPLY OF GOODS OR SERVICES [SECTION 187]



Notwithstanding anything contained in section 12 [Time of supply of goods] and 13 [Time of supply of services], no tax shall be payable on supply of goods and/or services made on or after the appointed day where the consideration, whether in full or part, for the said supply has been received prior to the appointed day and duty of tax payable thereon has already been paid under the earlier law.

*Subject to Tax Planning

TAXABILITY OF SUPPLY OF SERVICES IN CERTAIN CASES [SECTION 188]

- Notwithstanding anything contained in section 13 [Time of Supply of services] or 14 [change in rate]
- **Tax** in respect of the taxable **services** shall be payable under the earlier law
- if **POT** in respect of such services arose **before the appointed day**.
- Where the portion of the supply of services is not covered by this section, such portion shall be liable to tax under this Act.

TAXABILITY OF SUPPLY OF GOODS IN CERTAIN CASES [SECTION 189]

- Notwithstanding anything contained in section 12 [Time of Supply of services] or 14 [change in rate]
- **Tax** in respect of the taxable **goods** shall be payable under the earlier law
- If the **POT** in respect of such goods **arose before the appointed day**.
- Where the portion of the supply of goods is not covered by this section, such portion shall be liable to tax under this Act.

Where a supplier has made any sale of goods in respect of which tax was required to be deducted at source under the earlier law and has also issued an invoice for the same before the appointed day, no deduction of tax at source under section 46 shall be made by the deductor under the said section where payment to the said supplier is made on or after the appointed day.

Note: In view of author there is no provision for deduction of tax at source on sale of goods. However same may have been prescribed under any VAT law.

*Thank you for your
concentration!*

