

# **TRANSITIONAL PROVISIONS IN GST**

# SECTIONS IN MODEL GST

- **MIGRATION OF EXISTING TAX PAYERS [s. 166]**
- **CENVAT/VAT CREDIT c/f in a return to be allowed as ITC [s.167]**
- **Un-availed CENVAT/VAT Credit on capital goods, not c/f in a return [s.168]**
- **INPUT CREDIT ON STOCK TO BE ALLOWED IN CERTAIN SITUATIONS [ s.169]**
  - **Not liable for registration earlier but liable for registration now**
  - **Manufacture of exempted goods and provision of exempt services earlier but taxable now**
  - **Works contract service availing the benefit of notification No. 26/2012**
  - **First stage dealer or second stage dealer or registered importer**

# SECTIONS IN MODEL GST

- **CENVAT Credit of inputs held in stock related to exempted goods or services of a manufacturer/service provider engaged in both non-exempted and exempted [s.170] [CGST]**
- **Credit of eligible duties and taxes in respect of inputs or input services during transit [s.171]**
- **Credit of eligible duties and taxes in respect of inputs held in stock – Switching over from composition scheme [s.172]**
- **GOODS RETURN IN RESPECT OF EXEMPTED/DUTY PAID GOODS**
  - **Return of goods exempt earlier [s.173]**
  - **Return of goods on which duty/tax paid under earlier law [s. 174]**

# SECTIONS IN MODEL GST

## ➤ **JOB WORK**

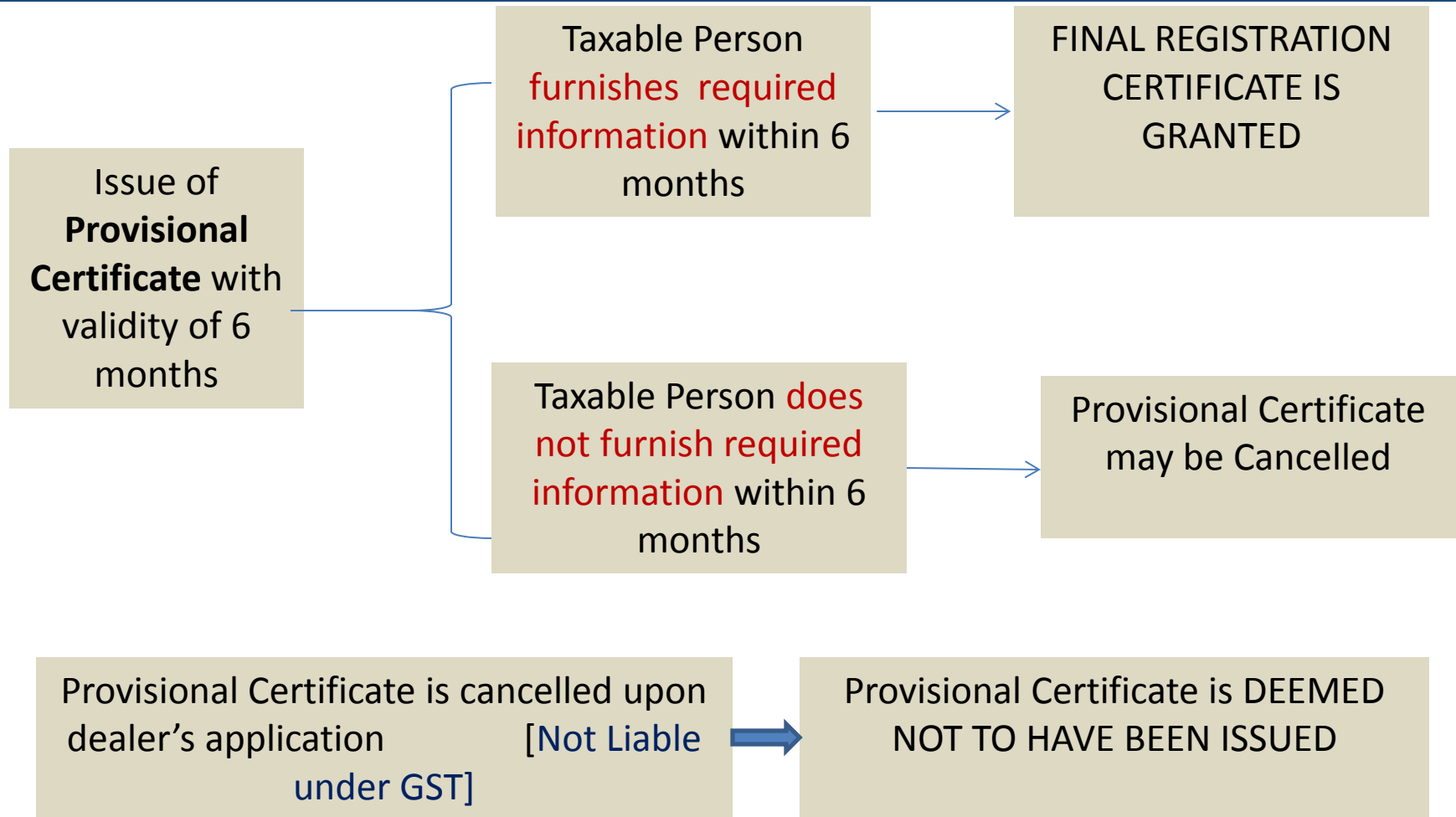
- **Inputs/semi – finished/Finished removed earlier for job work returned after the appointed day [ s. 175 - 177]**

## ➤ **PRICE REVISION....issue of supplementary invoices/debit & credit notes [s.178]**

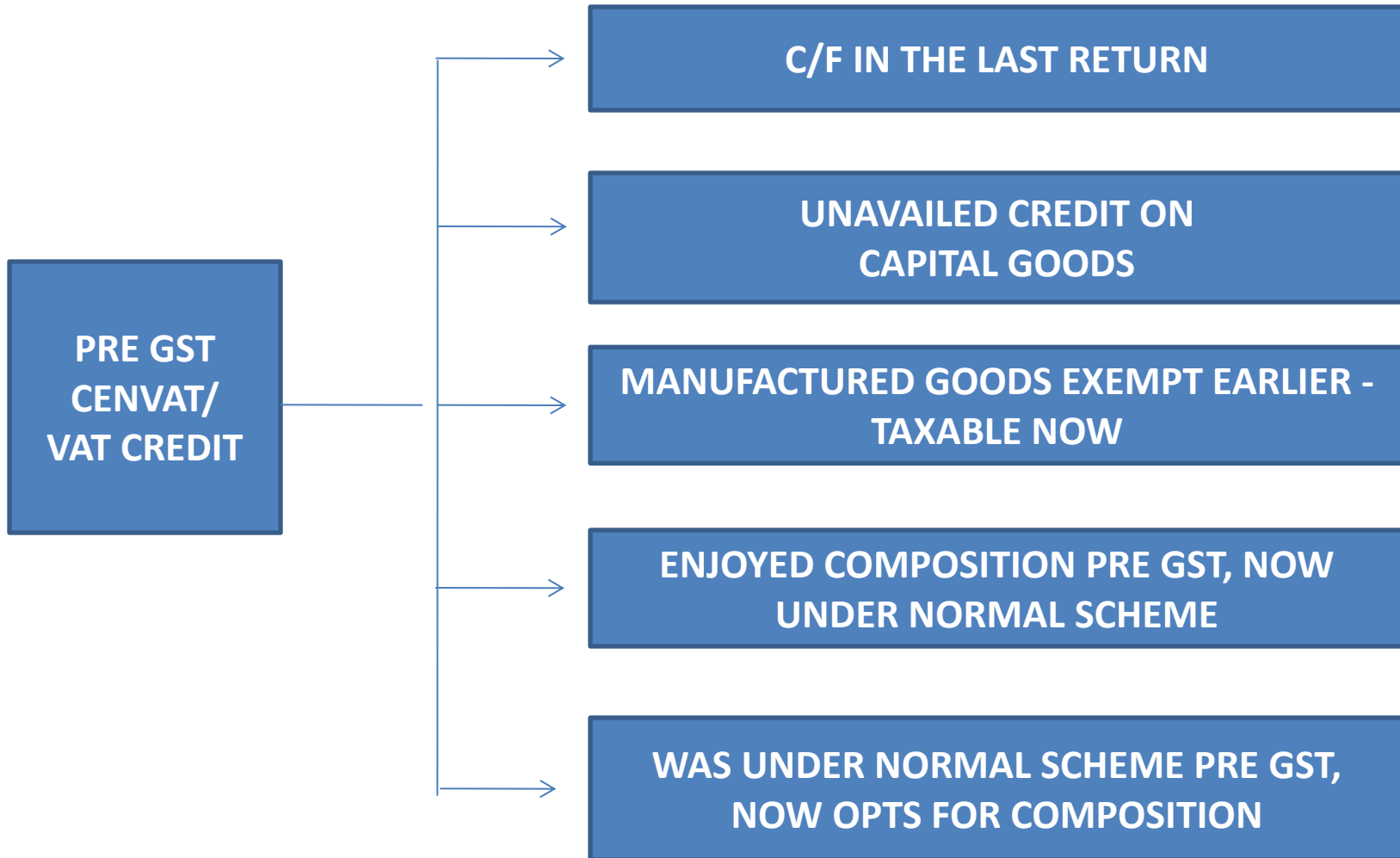
- **RECOVERY/REFUND [PENDING CLAIMS, CLAIM OF CENVAT/INPUT TAX, PROCEEDINGS RELATING TO OUTPUT DUTY LIABILITY, UPON ASSESSMENT/REVISION of RETURNS] [s. 179– s.185]**

- **MISCELLANEOUS [WORKS CONTRACT, PROGRESSIVE/PERIODIC SUPPLY, CREDIT DISTRIBUTION BY ISD, CENTRALISED REGISTRATION, GOODS/CAPITAL GOODS LYING WITH AGENTS, BRANCH TRANSFERS, GOODS SENT ON APPROVAL BASIS, TDS] [ s.186 - 197]**

# MIGRATION OF EXISTING TAX PAYERS TO GST



# **CENVAT/VAT CREDIT** [s.167 - 172]



# CENVAT/VAT CREDIT [s.167 - 168]

CENVAT/VAT CREDIT  
*CARRIED FORWARD*

**UNAVAILABLE** CENVAT/VAT  
CREDIT **ON CAPITAL**  
**GOODS**  
NOT CARRIED FORWARD

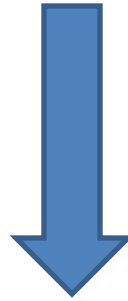
CREDIT WILL BE  
AVAILABLE IN GST

***Subject to the following Conditions :***

The amount has to be admissible as CENVAT/VAT credit under the earlier law & as ITC under the GST Law

# INPUT CREDIT ON STOCK OF GOODS HELD [s.169,170 &172]

Earlier Not liable for  
Registration or Exempted  
but liable for Registration  
or Taxable under GST



Earlier in Composition but  
under Normal scheme in  
GST

SHALL BE ENTITLED for *Credit of eligible  
duties/taxes/VAT on*

❖ *Inputs held in stock on the  
appointed day*

❖ *Inputs contained in semi-finished /finished  
goods held in stock on the appointed day*

PROVIDED





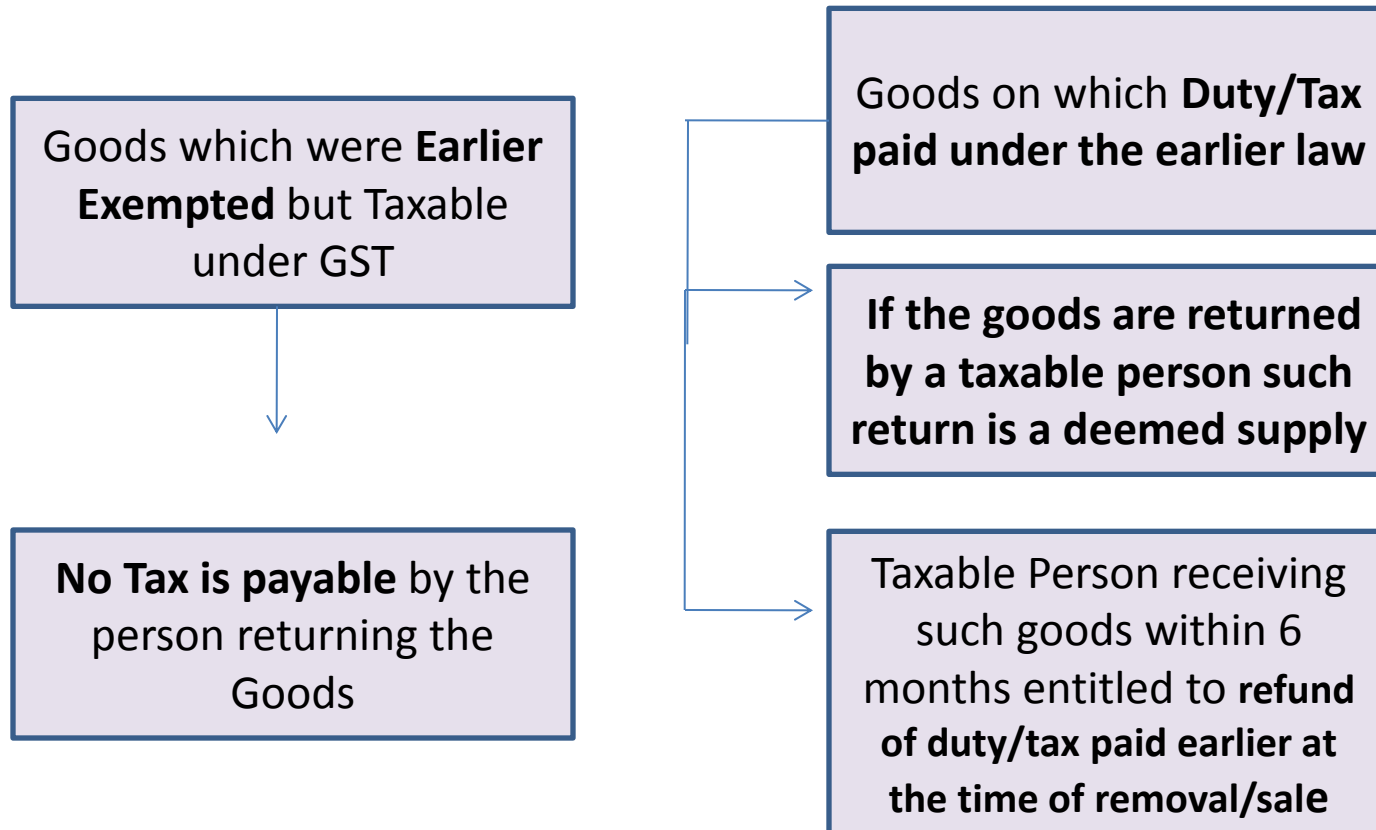
## **INPUT CREDIT ON STOCK OF GOODS HELD [s.169,170&172]**

- ✓ **Inputs are used for making taxable supplies**
- ✓ **Inputs were otherwise available for CENVAT/VAT Credit if the taxable person had not been a manufacturer of exempted goods/not in Composition/had liability under the earlier law & credit is available on it in GST**
- ✓ **Is in possession of valid invoice, etc which were issued not earlier than 12 months from the appointed day**
- ✓ **Passes on the benefit of such credit by way of reduced prices to the recipient**
- ✓ **The amount of credit shall be calculated in such manner as may be prescribed**

# GOODS RETURN [s.173 - 174]

**When,**

- Goods were **removed/sold within 6 months** prior to the appointed day &
- **Returned within 6 months** from the appointed day
- Proper Officer can **satisfactorily identify** the goods, **then for**



## **JOB WORK [s.175 - 177]**

(Inputs/Semi-finished/Finished goods sent for job – work)

### **Conditions:**

- Removal/Dispatch to the job worker **prior to the appointed day**&
- **Returned within six months** from the appointed day/extended period (not more than 2 months)
- **Manufacturer & Job Worker both declare** the details of Inputs/Semi-finished/Finished Goods held in **stock** by the Job Worker on the appointed date

**No Tax is payable**

- ❖ If the said goods are not returned within six months or the extended period, as the case may be, from the appointed day the input tax credit shall be liable to be recovered

**#Provided goods are taxable under the GST Law**

# PRICE REVISION [s.178]

Price is **REVISED** after the appointed day in respect of a previous contract



Documents that may be issued by the supplier

**For Upward Revision**

• **Supplementary Invoice/Debit Note**

**For Downward Revision**

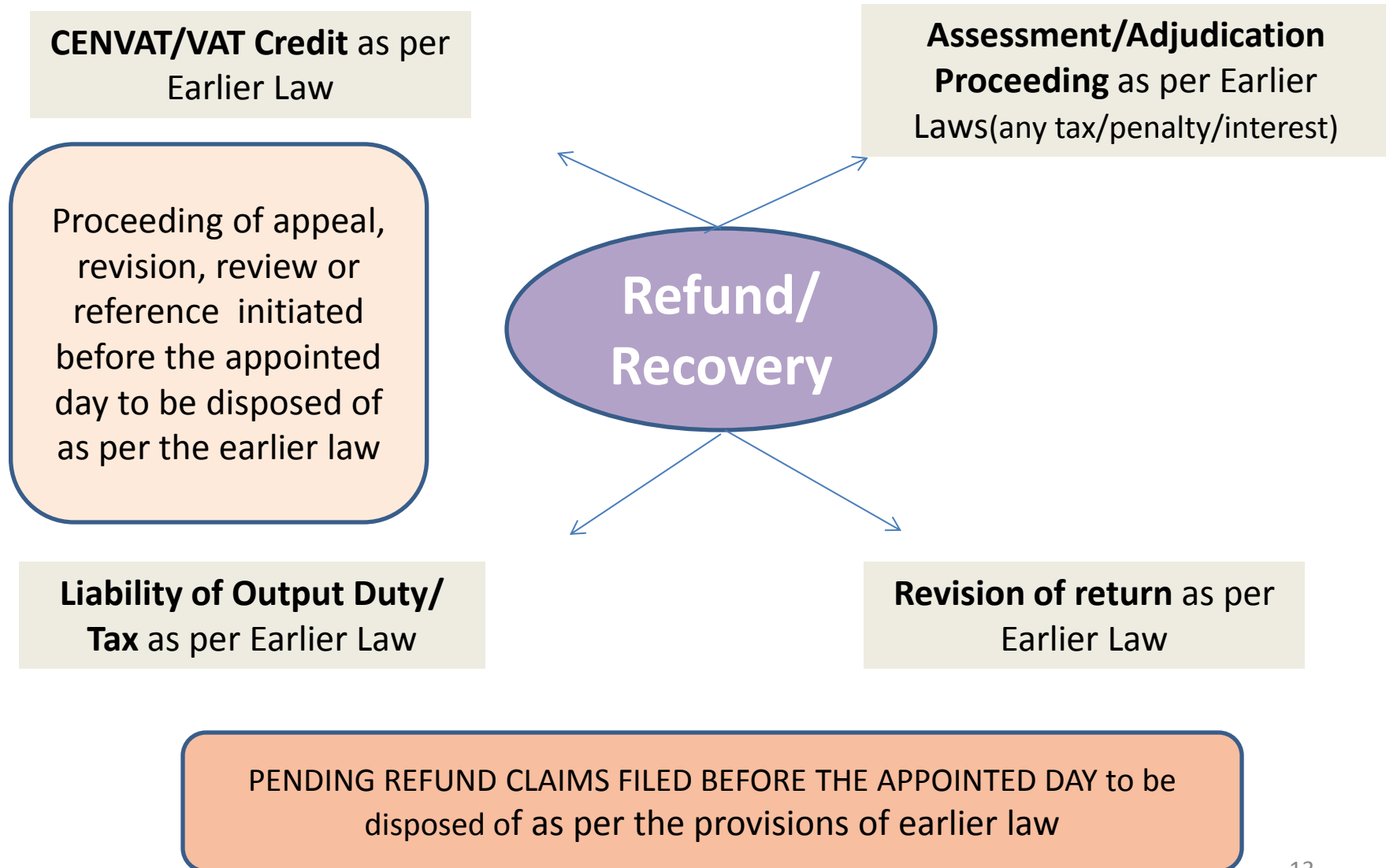
• **Supplementary Invoice/Credit Note**



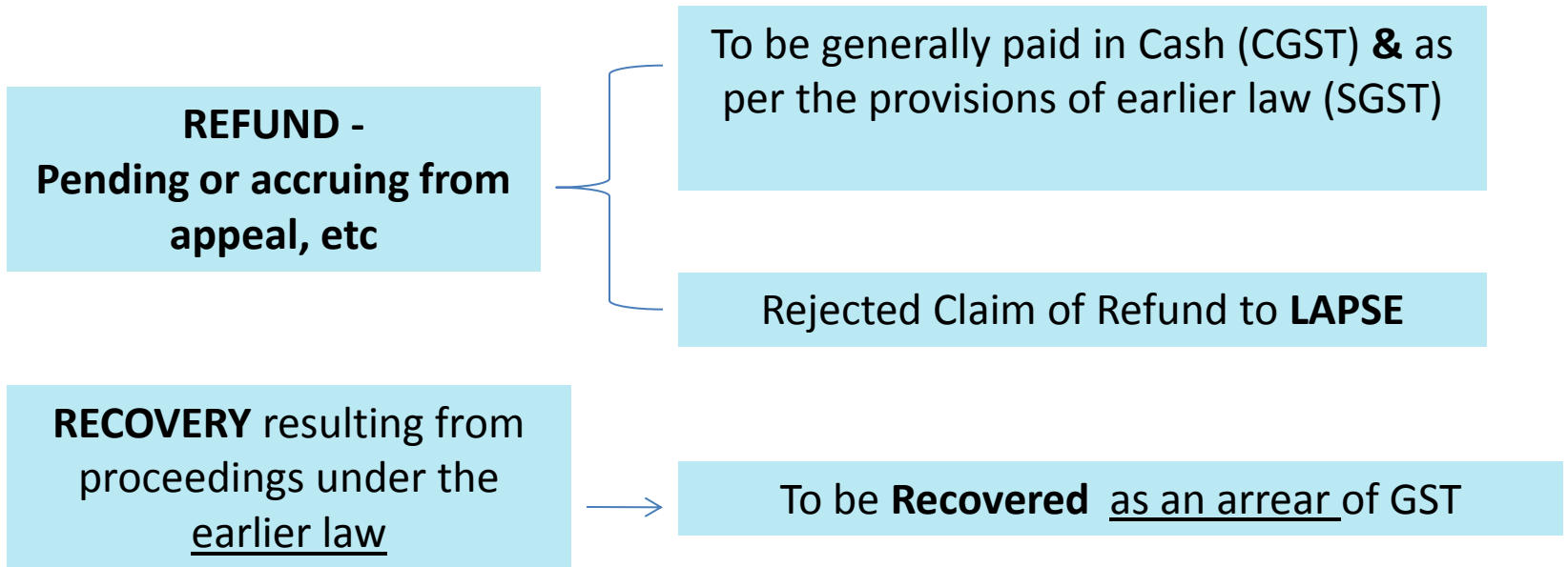
*conditional*

Documents shall be deemed to have been issued in respect of an outward supply made under GST

# REFUND/RECOVERY [s.179 - 185]



# **REFUND/RECOVERY** [s.179 - 185]



**Amount refundable/recoverable shall not be admissible as ITC under GST**

# MISCELLANEOUS

1

**LONG TERM  
CONSTRUCTION /  
WORKS CONTRACT**

s. 186

2

**# PROGRESSIVE  
/PERIODIC SUPPLY**

s. 187

1

**Supply to be taxed  
under GST Law**

- Goods and/or services supplied after the appointed date
- **Contract entered prior to the appointed date**

2

**No Tax to be paid  
under GST**

- Goods and/or services supplied after the appointed date
- **Consideration received prior to the appointed day**
- **Duty/tax paid under the earlier law**

3

**No Tax to be paid  
under GST**

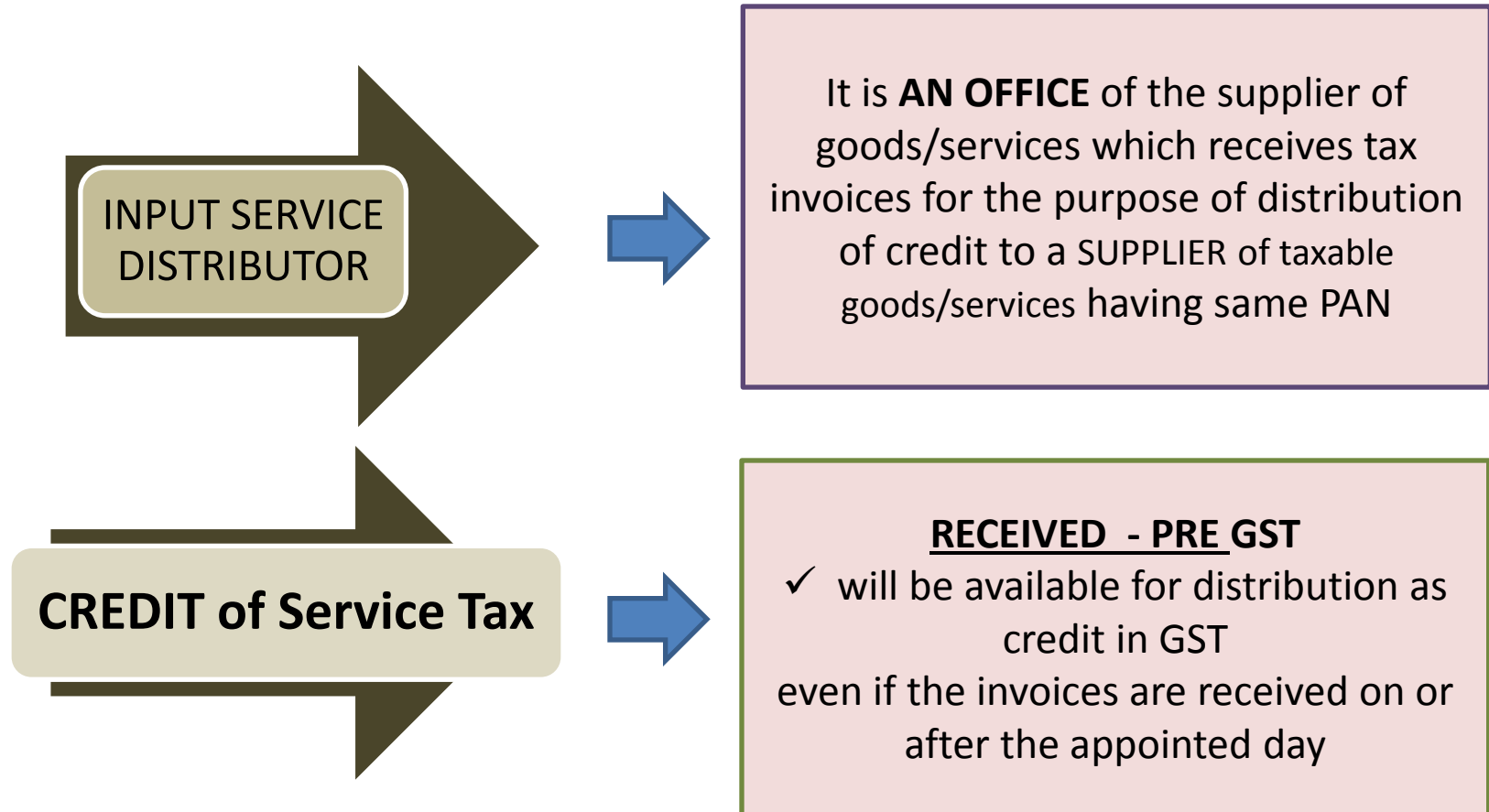
- Goods and/or services supplied after the appointed date
- **Part Consideration received on/after the appointed day**
- **Full duty/tax paid under the earlier law**

# Applicable irrespective of the provisions relating to Time of Supply of Goods & Services in the GST Law

# MISCELLANEOUS

## CREDIT DISTRIBUTION OF SERVICE TAX BY INPUT SERVICE DISTRIBUTORS

[s.190]



The provision overrides all the other provisions contrary to it



# MISCELLANEOUS

## TAX PAID ON GOODS/ CAPITAL GOODS LYING WITH AGENTS TO BE ALLOWED AS CREDIT [s.192 - 193]

Goods belonging to Principal lying with the agent on the appointed day

### Conditions:

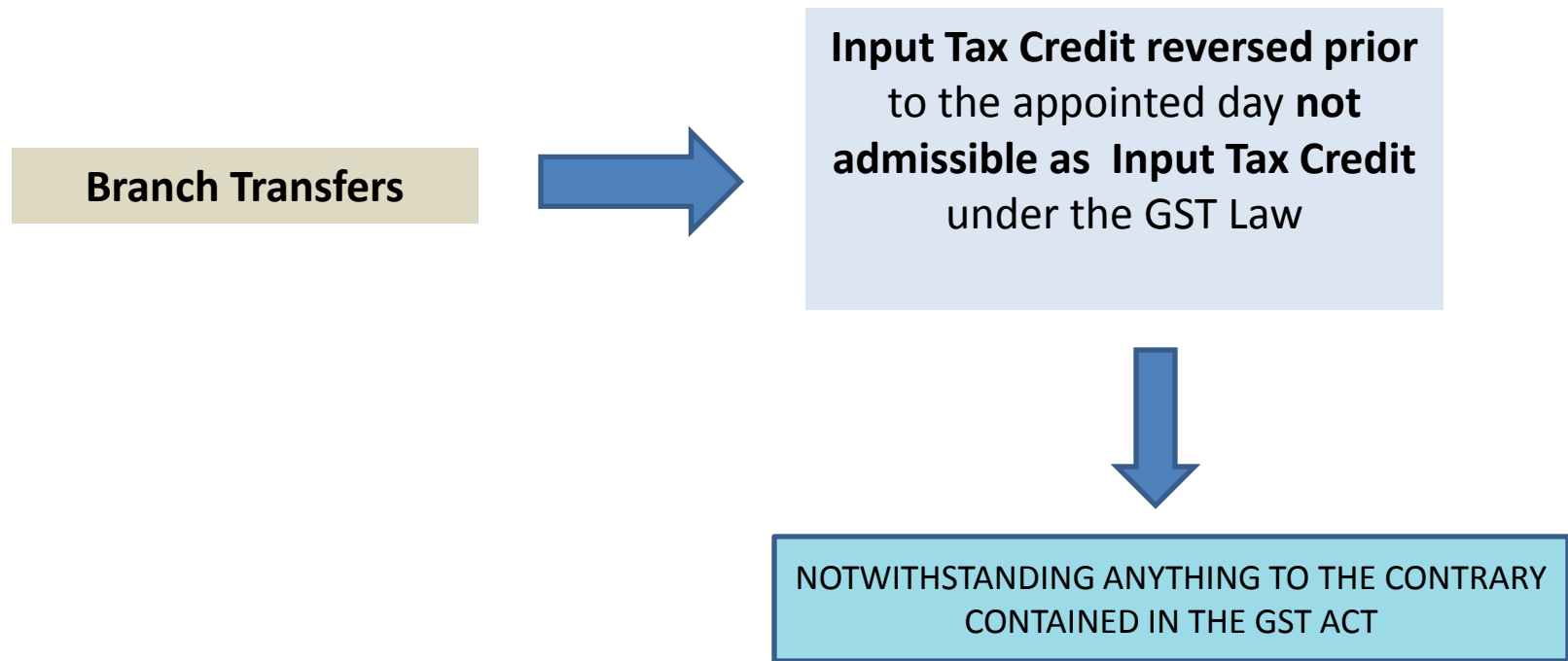
- Agent is registered under GST
- Principal & Agent **both declare** the details of **stock of Goods lying with the agent** immediately preceding the appointed day
- Invoices were issued not earlier than 12 months prior to the appointed day
- Principal has either reversed or not availed of the ITC in respect of such goods

Agent entitled to take credit of tax paid on such goods

*--- this provision is specific to SGST Law*

# **MISCELLANEOUS**

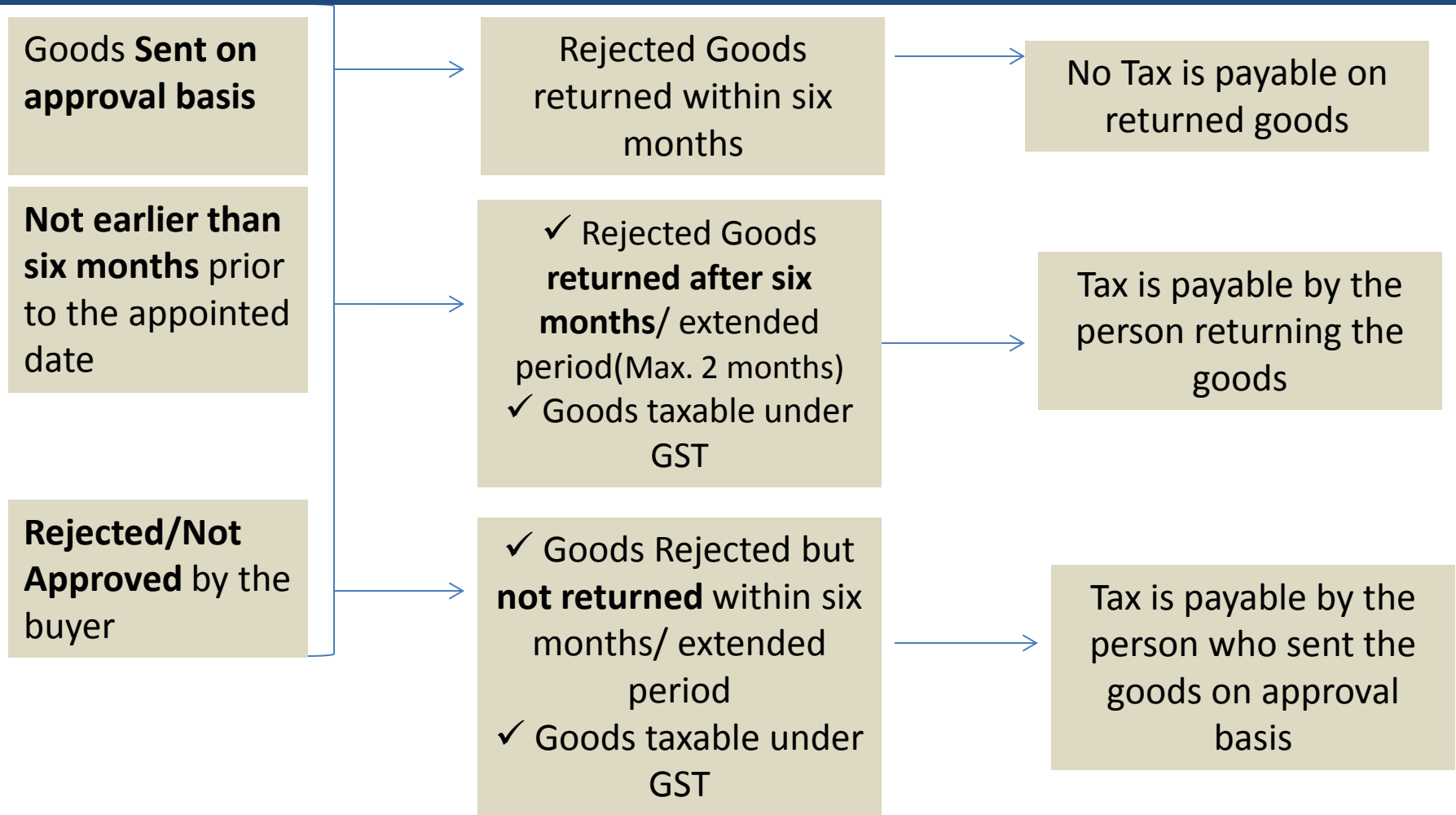
## **TREATMENT OF BRANCH TRANSFERS [s. 194]**



*--- this provision is specific to SGST Law*

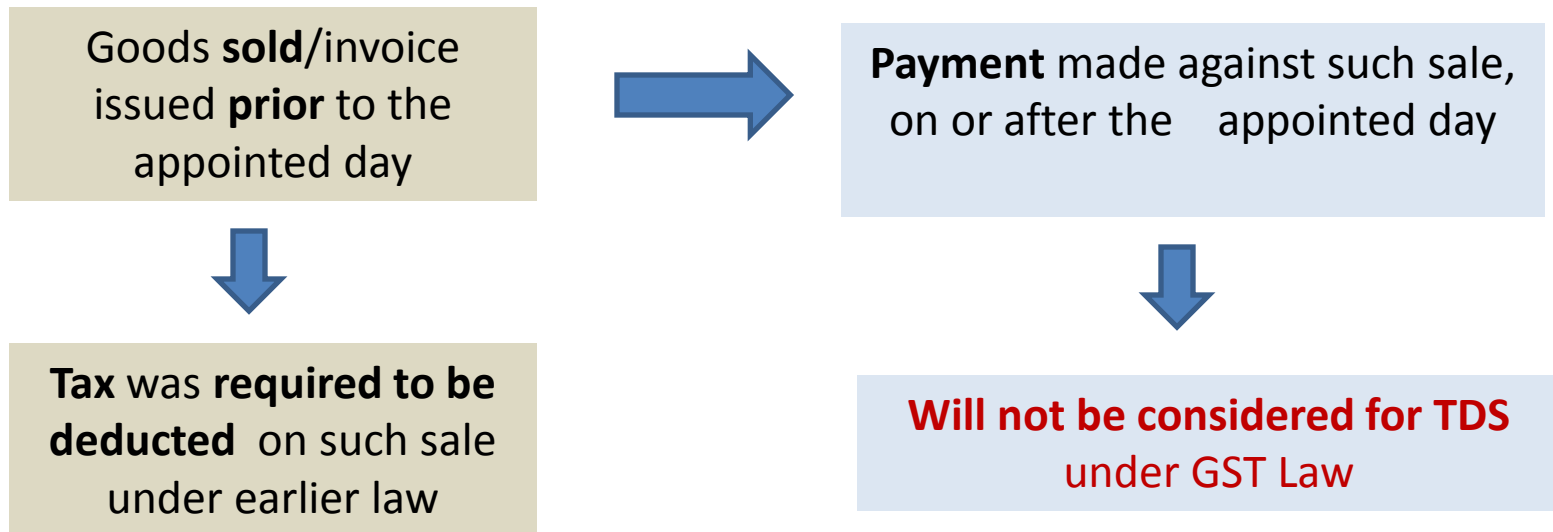
# MISCELLANEOUS

## GOODS SENT ON APPROVAL BASIS REJECTED/RETURNED [s.195]



--- this provision is specific to SGST Law

# MISCELLANEOUS DEDUCTION OF TAX AT SOURCE [s. 196]



*--- this provision is specific to SGST Law*

**THANK YOU**