

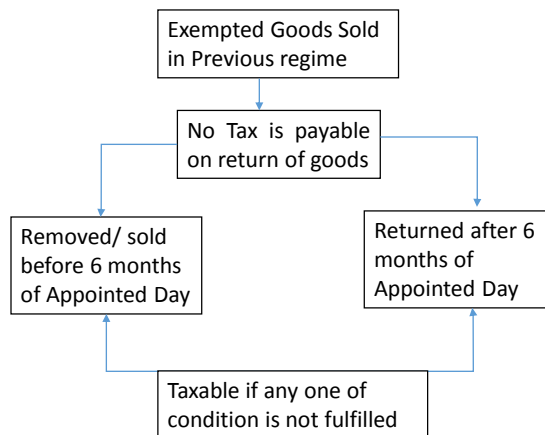
TRANSITIONAL PROVISIONS



PROCEDURAL AND OTHER ISSUES

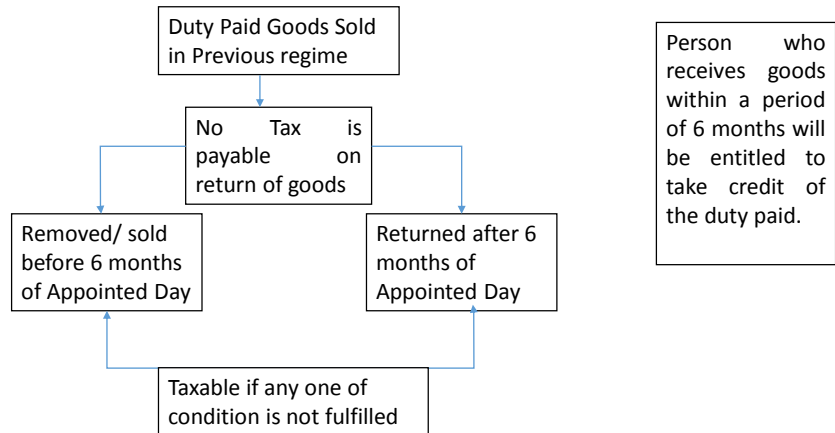
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Section 148 - Exempted goods returned on/after appointed day



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Section 149-Duty paid goods returned on/after appointed day



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Practical Case Studies (Sec 148-149)

Question

XYZ Ltd. sold certain goods to ABC Ltd. on 20th February, 2017 amounting to Rs 1,00,000 on which VAT has been paid @ 12.5% i.e. Rs 12,500. What will be the consequences in the GST regime if the goods are returned by the ABC Ltd. to the place of business of XYZ Ltd.

- On 15th June, 2017
- On 10th October, 2017

Question

XYZ Ltd. sold duty paid goods to ABC Ltd. on 24th September, 2016. The goods are returned by ABC Ltd. to the place of business of XYZ Ltd. on 17th May, 2017. What will be the consequences in the GST regime?

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Practical Case Studies (Sec 148-149)

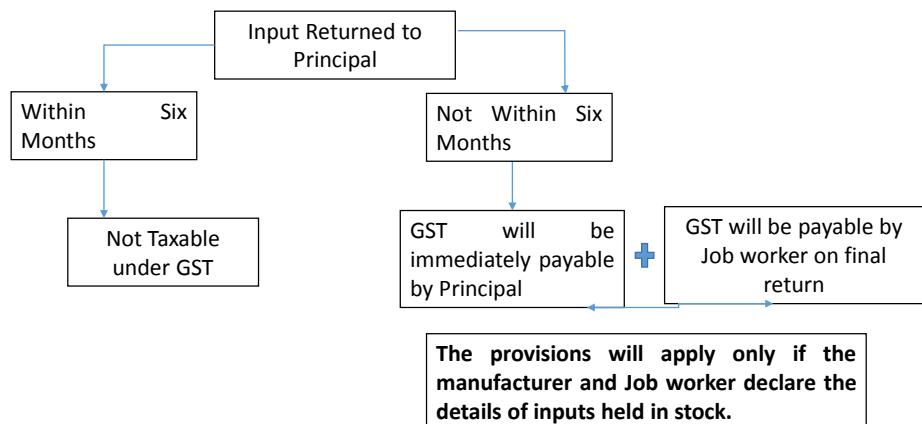
Question

Suppose A, a manufacturer sold certain goods amounting to Rs 2,00,000 on 2nd November, 2016 to B. These goods are exempt from excise duty but 5% VAT is payable on it. What will be the consequences in the GST Regime if the goods are returned to the place of business of business of A.-

- a) 3rd July, 2017
- b) 10th October, 2017

Section 150- Inputs removed for job work and returned on or after the appointed day

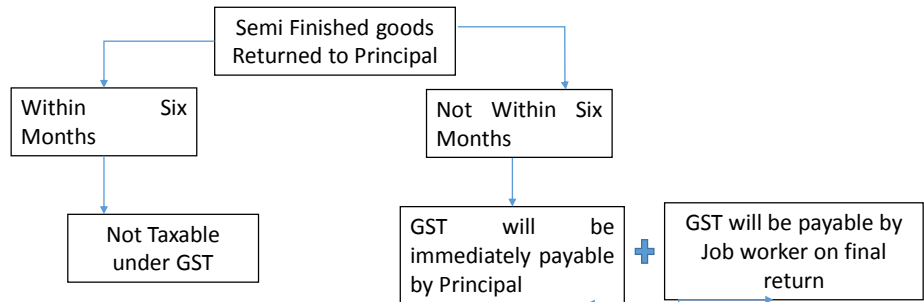
- If inputs received in a factory/place of business had been removed/dispatched as such or partially processed to a job worker for further processing, testing, repair, reconditioning or any other purposes in accordance with the provisions of earlier law and are taxable under this Act, are returned to said factory/place of business after the completion of Job work:



Section 151- Semi-Finished goods removed for job work and returned on or after the appointed day

- If semi finished goods has been removed/dispatched from the factory/place of business for carrying out certain manufacturing processes in accordance with the provisions of earlier law and are taxable under this Act, are returned to said factory/place of business after undergoing manufacturing processes.

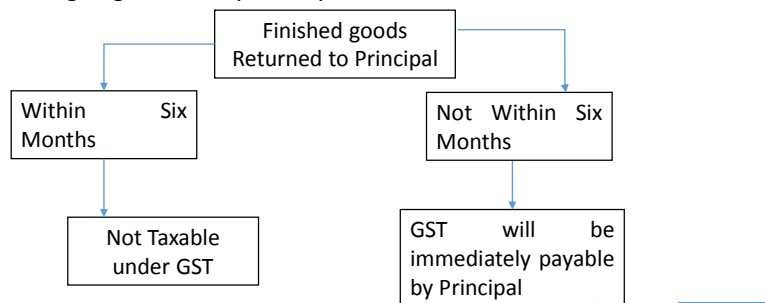
The manufacturer may transfer the said goods to the premises of any registered taxable person for the purpose of supplying therefrom on payment of tax in India and without payment of tax for exports within six months from the appointed day.



Section 152: Finished goods removed for carrying out certain processes and returned on or after the appointed day

- Where any excisable goods (manufactured in a factory) removed without payment of duty or goods dispatched from the place of business 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 and are taxable under this Act are returned to the said factory/place of business after undergoing test or any other process.

The manufacturer may in accordance with earlier laws transfer the said goods from the said other premises on payment of tax in India and without payment of tax for exports within six months from the appointed day.



Practical Case Studies (Sec 150-152)

Question

X Ltd is engaged in manufacturing of shirts and sent a single lot of 1000 shirts to Ghanshyam (job worker) for tagging of brand on the collar of shirt on 30th September 2016. Value of shirt is Rs. 1,00,000 on which X Ltd booked the credit of Rs 10,000. What will be the tax treatment if: -?

- Ghanshyam returned goods on 15th May 2017
- Ghanshyam returned goods on 30th October 2017

X Ltd made the final supply of returned goods on 15th November 2017 for Rs 1,25,000.

Question

If in the above question, goods are directly transferred from the premises of Ghanshyam (Job worker) to a customer.

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Practical Case Studies (Sec 150-152)

Question

In case goods are transferred from Ghanshyam's premises to the Warehouse/Sale depot/Branch of 'X' Ltd then what will be the tax treatment.

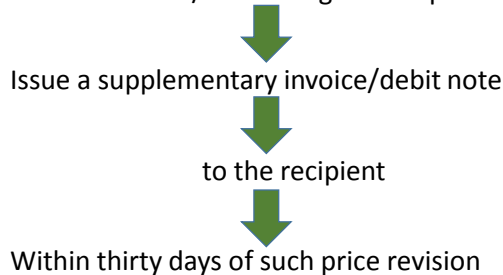
- Within six months from 1st April 2017
- After six months from 1st April 2017

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Section 153: Issue of Supplementary Invoices, debit or credit notes where price is revised in pursuance of a contract

- If the price of goods and/or services is revised **upward** after the appointed day in pursuance of a contract entered into prior to the appointed day then:

The taxable person who has removed/sold such goods or provided such services may

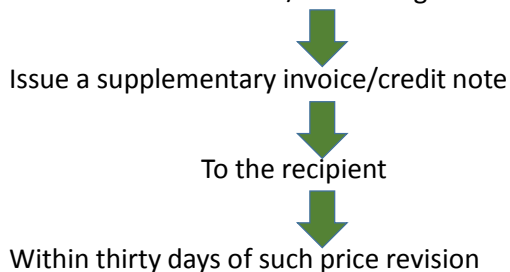


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Section 153: Issue of Supplementary Invoices, debit or credit notes where price is revised in pursuance of a contract

- If the price of goods and/or services is revised downward after the appointed day in pursuance of a contract entered into prior to the appointed day then:

The taxable person who has removed/sold such goods or provided such services may



The Taxable person is allowed to reduce its tax liability **only if** the recipient reduced his corresponding Input Tax Credit

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Practical Case Studies (Sec 153)



Question

ABC Ltd is a manufacturer and sold goods worth Rs 10,00,000 on 28th February 2017 and paid Excise duty of Rs 1,25,000 and Vat 1,40,625 (12.5%).

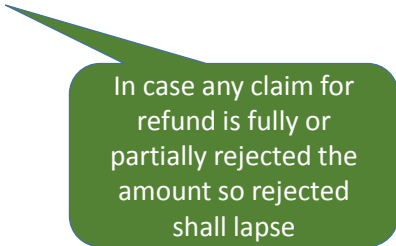
- Case A: - On 5th April 2017 price revised to 11,00,000
- Case B: - On 5th April 2017 price revised to 9,00,000
 - Registered person
 - Unregistered person

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Section 154: Pending refund claims to be disposed of under earlier law



- Every refund claim filed by any person *before the appointed day* shall be disposed of as per the provisions of earlier law and be paid in cash if any amount eventually accrue.



In case any claim for refund is fully or partially rejected the amount so rejected shall lapse

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Section 155: Claim of Cenvat Credit to be disposed of under earlier law

- Every proceeding of appeal, revision, review or reference relating to a claim for Cenvat Credit/Input tax credit under the earlier law shall be disposed of as per the provisions of earlier law and be paid in cash if any amount eventually accrue.

The amount so refunded shall not be admissible as ITC under GST

- Every proceeding of appeal, revision, review or reference relating to a claim for Cenvat Credit/Input tax credit under the earlier law shall be disposed of as per the provisions of earlier law and as a result if any amount of credit becomes recoverable, the same shall be recovered as an arrear of tax under this Act.

The amount so recovered shall not be admissible as ITC under GST

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Section 156: Finalization of proceedings relating to output liability

- Every proceeding of appeal, revision, review or reference relating to any output duty/tax liability *initiated before the appointed day* shall be disposed of as per the provisions of earlier law and as a result if any amount of liability becomes recoverable, the same shall be recovered as an arrear of tax under this Act.

The amount so recovered shall not be admissible as ITC under GST

- Every proceeding of appeal, revision, review or reference relating to any output duty/tax liability *initiated before the appointed day* shall be disposed of as per the provisions of earlier law and be paid in cash if any amount eventually accrue.

The amount so refunded shall not be admissible as ITC under GST

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Section 157: Treatment of the amount recovered or refunded in pursuance of assessment or adjudication proceedings

- If any amount of tax, interest, fine or penalty becomes recoverable from the taxable person in pursuance to an assessment or adjudication *instituted before or after the appointed day* under the earlier law, the same shall be recovered as an arrear of tax under GST.

The amount so recovered shall not be admissible as ITC under GST

- If any amount of tax, interest, fine or penalty becomes refundable to the taxable person in pursuance to an assessment or adjudication *instituted before or after the appointed day* under the earlier law, the same shall be refunded to him in cash.

The amount so refunded shall not be admissible as ITC under GST

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Section 158: Treatment of the amount recovered or refunded pursuant to revision of returns

- If return filed under earlier law is revised and due to such revision any amount is found recoverable from taxable person then the same shall be recovered as an arrear of tax under GST.

The amount so recovered shall not be admissible as ITC under GST

- If return filed under earlier law is revised and due to such revision any amount is found to be refunded to the taxable person then the same shall be refunded to him in cash under the earlier law.

The amount so refunded shall not be admissible as ITC under GST

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Practical Case Studies (Sec 154-158)

Question

Mr. X has provided some services outside India (U.K) qualified as export of services under Rule 6A of Service Tax Rules, 1994. He has filed refund claim amounting to Rs. 5,00,000/-of CENVAT Credit of service tax paid on input services under Rule 5 CENVAT Credit Rules, 2004. How the amount will be refunded if claim is filed on:

- (i) 15th March 2017
- (ii) 25th April 2017

Question

XYZ Ltd has the following particulars in books:

Particulars	Amount (Rs.)
Export Turnover	50,00,000
Domestic Turnover	20,00,000
Input Tax Credit	7,00,000

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Practical Case Studies (Sec 154-158)

XYZ Ltd has filed for 5 Lacs of refund on proportionate basis on 15th March 2017.

The authorities passed the order of refund for 4 Lacs only considering Export Turnover amounting to Rs. 40,00,000 and Total Turnover amounting to Rs. 70,00,000. What will be the consequences in GST?

Question

XYZ Ltd is a consultant filed service tax return on 25th April 2017. At the time of filing original return XYZ Ltd omitted to mention import of service of Rs. 1 crore on which liability to discharge service tax was under RCM. Revised return was filled on 30th May 2017. What will happen if:

- (i) If service tax not paid at the time of filling of revised return.
- (ii) If service tax paid at the time of filling of revised return.

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Practical Case Studies (Sec 154-158)



Question

X Ltd carried forward CENVAT Credit of service tax return for the period October, 2016 to March, 2017:

Original Service Tax Return (25th April 2017): Rs. 1,00,000

Revised Service Tax Return (31st May 2017): Rs. 1,50,000

What will be the treatment under GST?

Question

X Ltd carried forward VAT credit in its VAT return for quarter ended 31st March, 2017:

Original Return (25th April 2017): Rs. 1,00,000

Revised Return (31st May 2017): Rs. 1,50,000

X Ltd claimed refund of Rs. 50,000 in the VAT return.

What will be the treatment under GST?

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Practical Case Studies (Sec 154-158)



Question

X Ltd carried forward VAT credit in its VAT return for quarter ended 31st

March, 2017:

Original Return (25th April 2017): Rs. 1,00,000

Revised Return (31st May 2017): Rs. 50,000

What will be the treatment under GST

Question

ABC Ltd get show cause notice under Service Tax on 15th April 2017. What will be the treatment under GST in following scenario's:

(i) Tax payable: Rs. 50,000

(ii) Refund: Rs 50,000

Question

ABC Ltd filed an appeal to CESTAT on 31th March 2017, in relation to output service tax liability of year 2015-2016. What will be the treatment under GST in following scenario's:

(i) Tax payable: Rs. 50,000

(ii) Refund: Rs 50,000

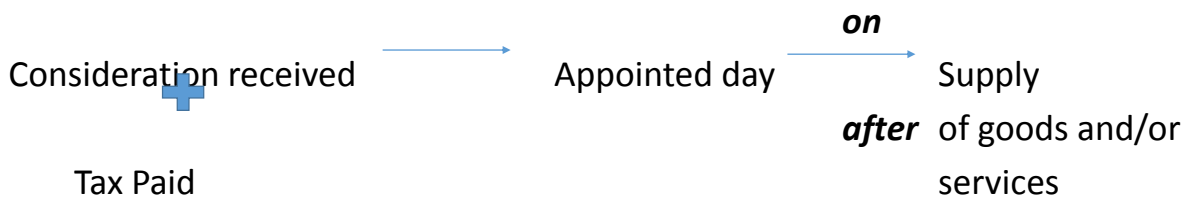
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Section 159: Treatment of Long term Construction/Works Contract

- Goods and services supplied on or after the appointed day in pursuance of a contract entered into prior to the appointed day shall be liable to GST.

Section 160: Progressive or periodic supply of goods and services

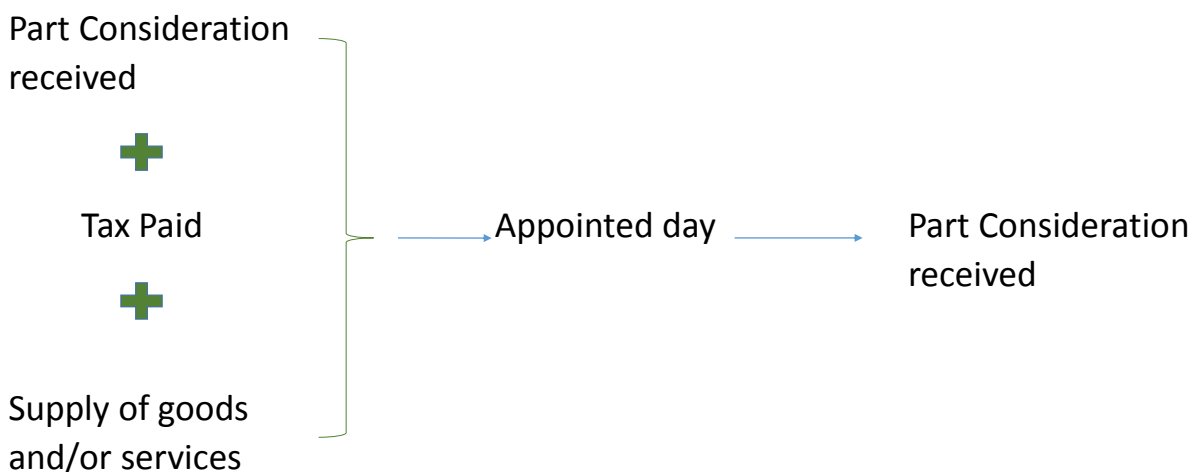
- No tax shall be payable in relation to a said supply of goods and/or services if:



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Section 161: Treatment of retention payments

- No tax shall be payable in relation to a said supply of goods and/or services if:



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Practical Case Studies (Sec 159-161)

Question

X Ltd raised following invoice on Y on 15th January, 2017:

Service Charge: Rs.1,00,000

Service Tax: Rs. 15,000

Total: Rs. 1,15,000

X Ltd. has discharged its service tax liability amounting to Rs. 15,000 on 5th February, 2017.

Y paid Rs. 1,05,000 on 20th February 2017 after retaining Rs. 10,000.

What will happen if Y pay Rs. 10,000 to X Ltd on 16th May 2017 after introduction of GST.

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Section 162: Credit distribution of service tax by ISD

- Input Services Distributor (ISD) is allowed to distribute credit of the services received by ISD prior to appointed day even if the invoices in relation to such supply received on or after appointed day.

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Practical Case Studies (Sec 162)

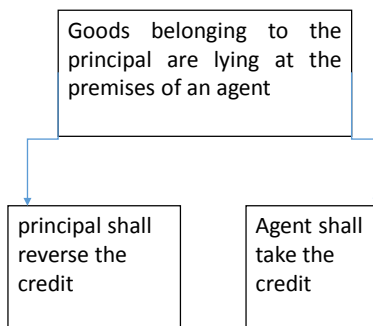
- A Ltd is an Input Services Distributor (ISD) registered in Delhi as ISD. In addition, A Ltd has branch office in Delhi and Gurgaon. A Ltd receives invoice of advisory services on 29th March 2017 for Rs 50,000 in office registered as ISD. Invoice details are as under:

Service Charge:	Rs. 50,000
Service Tax:	Rs. 7,500
Total:	Rs. 57,500

In addition to this A Ltd also has CENVAT Credit of service tax of Rs 3,00,000 in service tax return for the period October, 2016 to March, 2017. How the credit of above will be allowed in GST to A Ltd.

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Section 162A: Tax paid on goods lying with the agents to be allowed as credit



Conditions:

- Agent should be a registered taxable person under GST
- Both principal and agent declared the details of such stock lying with agent
- The invoice shall not be earlier than 1st April 2016.
- Principal has to reverse the credit availed on such goods if any.

Section 162B: Tax paid on Capital goods lying with the agents to be allowed as credit

- If any capital goods belonging to the principal are lying at the premises of an agent then the agent is eligible to take credit of such goods if the following conditions are fulfilled:
 - Agent should be a registered taxable person under GST
 - Both principal and agent declared the details of such stock lying with agent
 - The invoice shall not be earlier than 1st April 2016.
 - Principal has to reverse the credit availed on such goods if any.

Practical Case Studies

A Ltd has his agent B with whom some Inputs/Capital goods of the value of Rs 5,00,000 (VAT 25,000) are lying on 31st March 2017. Who will get the credit on such goods under GST and how.?

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Section 162C: Treatment of Branch Transfer

- Any amount of Input Tax Credit reversed prior to the appointed day shall not be admissible as credit of ITC under GST.

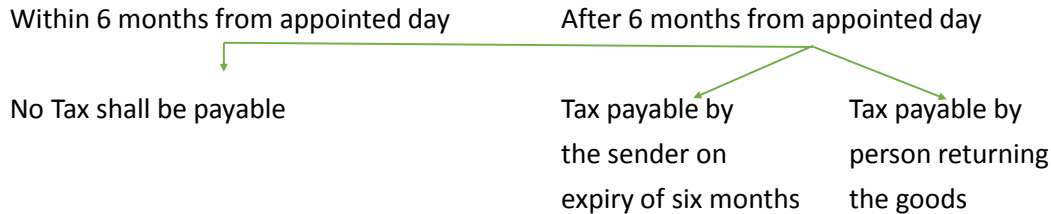
Practical Case Studies

- XYZ Ltd a dealer in Delhi VAT purchases goods from the state of Delhi amounting to Rs. 50,00,000 on which it paid Vat of Rs. 6,25,000 and claimed credit of the same. On 1st March 2017 it transferred these goods to its branch in Gujrat. According to Delhi VAT Law it has to reverse 2% of 50,00,000 i.e. 10,000. How much credit will be available in GST regime?

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Section 162D: Goods sent on approval basis returned on or after the appointed day

- If any goods sent on approval basis not earlier than six months before the appointed date and are taxable under GST, are rejected or not approved by the buyer and returned to the seller:



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Practical Case Studies (Sec 162D)

Question

X Ltd is engaged in manufacturing of shirts and sent a single lot of 1000 shirts to Ghanshyam on approval basis on 15th December 2016. Value of shirt is Rs. 1,00,000 on which X Ltd booked the VAT credit of Rs 10,000. What will be the tax treatment if: -?

- Ghanshyam returned goods on 15th May 2017
- Ghanshyam returned goods on 30th October 2017

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Section 162E: Deduction of Tax at Source

- No tax shall be payable in relation to a said supply of goods and/or services if:

Sale of Goods on
which TDS required
to be Deducted
under earlier law



Invoice issued

Appointed day

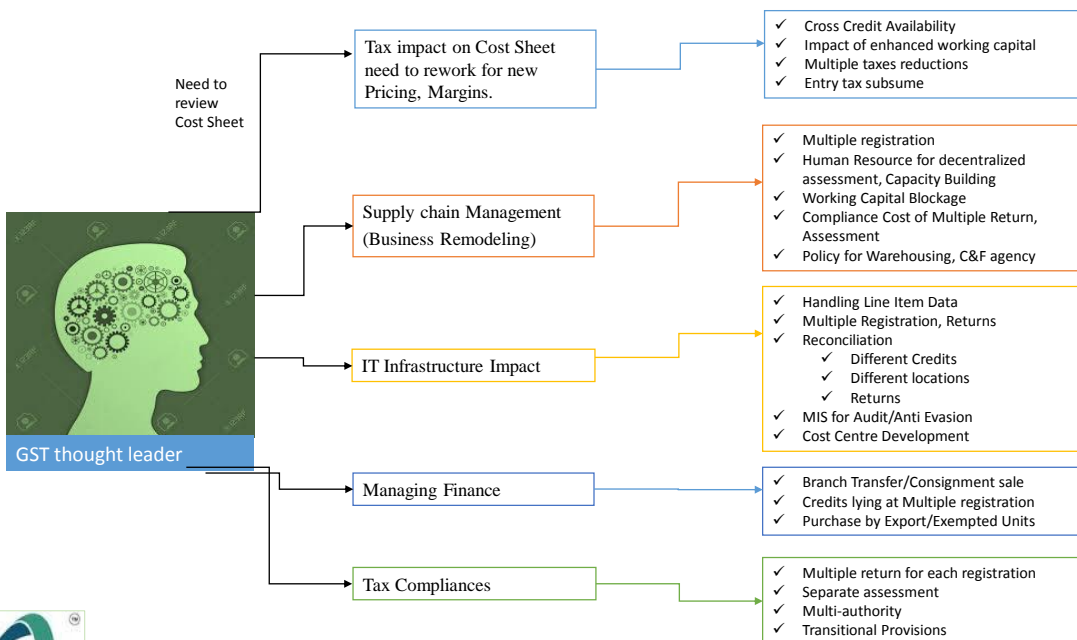
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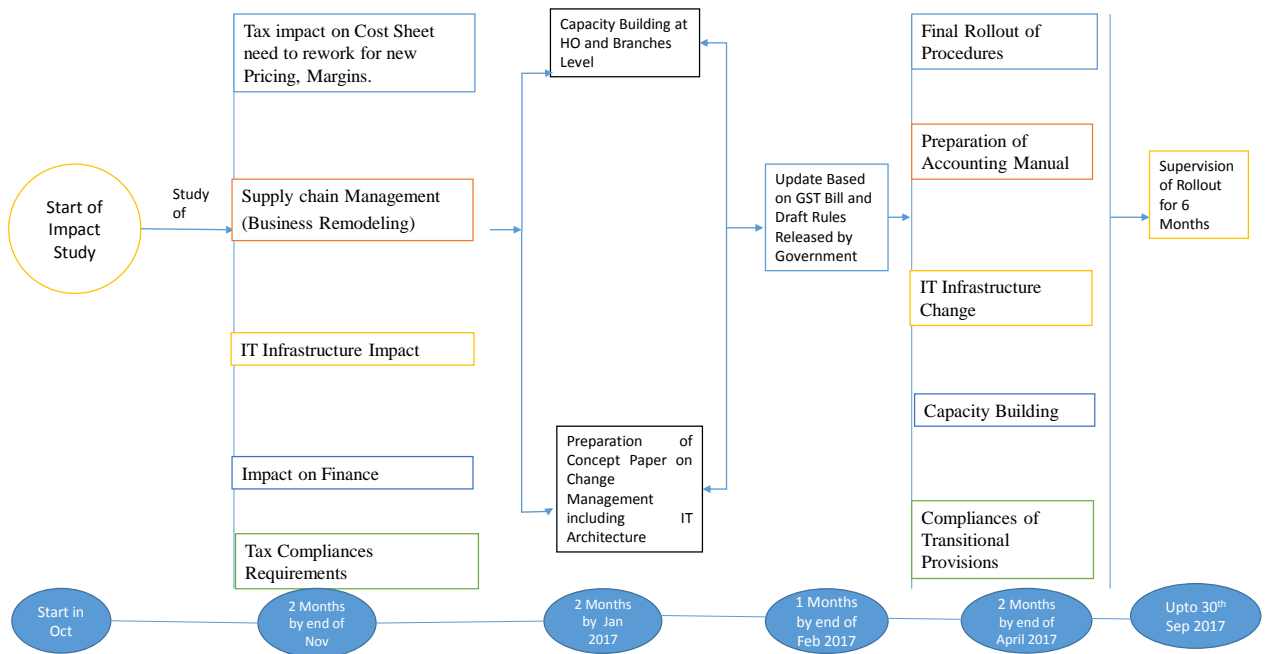
Payment received

On

Payment received

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Thank You

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