



GARV & Affiliates



IN THIS ISSUE

Transition to GST: Key Planning Areas

All the taxpayers registered under existing indirect taxes would automatically get temporary GST registration numbers, which would be issued on final basis on furnishing of prescribed information/documents

GST Law provides for transitional provisions to facilitate carry forward of CENVAT as well as VAT input credit available to a taxpayer under the current regime to the GST regime. It contemplates disposal of all pending refund claims under the current law with a rejection of the refundclaim resulting in a lapse of the underlying credits

Treatment of return of goods removed under existing indirect tax regime has also been dealt with

Appointed date means the date on which GST law comes into effect.

Migration of Registration

Provisional GST Registration in lieu of existing registrations

Page 2

VAT & CENVAT Credit

Carry forward of VAT & CENVAT Credit as per Returns

Page 2

Input Credit on Opening Stock

Credit eligibility on Opening Stock on Appointed date

Page 3

Supply of Goods to Job Worker

Tax implications of Goods lying with the Job workers

Page 4

Switching from Composition Scheme

Transitional provisions for Composition Levy

Page 5

Price revisions & Pending refunds

Transitional provisions for Price Revisions & Pending Refund claims

Page 5

Contact Us

Page 6

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Migration of Registration

- Every registered person under any of the earlier indirect tax laws shall be issued a Registration Certificate on a provisional basis under GST - valid for a period of six months
- Such registered person needs to furnish prescribed information within six months
- Thereafter Registration Certificate to be granted on a final basis
- Provisional registration to be cancelled if such person fails to furnish requisite information

Key Planning

GST law requires State wise separate registration. So existing organizations having centralized service tax registrations with different state operations need to obtain state wise registration

Information about provisional registration will be intimated to the email id and mobile number registered with the Excise/VAT and Service Tax department. It is advisable to ensure that correct email id and mobile number are recorded therein

Key Planning

There may be cases where return filed under earlier law is erroneous and credit amount is wrongly carried forward in such returns. It should be ensured that correct amount of eligible credit is filed in such returns under existing law to avoid inadmissibility of any input tax credit under GST regime.

VAT & CENVAT Credit

- A registered taxable person shall be entitled to take as GST Credit, in his electronic credit ledger, Cenvat credit and Input VAT credit carried forward in the Excise, Service Tax & VAT return filed for the period ending appointed day.
- Credit allowed to be carried forward if admissible under the earlier law and also allowed under GST Law
- VAT and CENVAT Credit on Capital Goods is equal to the remaining ratio of aggregate CENVAT Credit from CENVAT Credit already availed which would be carried forward



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Key Planning

- Under current law, excise dealers do not charge any excise duty but only transfer the CENVAT Credit to the buyer under the cover of their invoice. Under the GST regime, these dealers will be required to levy GST. However, there is no provision under Model GST law to transfer CENVAT Credit lying in stock as on the appointed day
- Input tax credit carry forward benefit is available to the manufacture of exempted goods, but not for provision of exempted services
- No credit is available for such stocks purchased prior to 12 months. Hence, it is advisable to ensure that invoices for stocks in hand on appointed date are issued within 12 months from such date
- Where Excise and VAT are part of cost of goods but were not acquired from registered excise or VAT dealer, there will be a huge financial implication as no credit of such duties will be available. Hence, it is advisable to plan for such kind of scenarios so that the credit of duties on closing stock on appointed date is available as GST Credit.

Input Credit on Opening Stock to Non-Registered Persons under Existing Laws

- Allowed to registered taxable person
 - who was not liable to be registered under the earlier law or
 - who was engaged in the manufacture/ trading of exempted goods under the existing law which are liable to tax under the GST law
- Credit of eligible duties and taxes allowed in respect
 - inputs held in stock and
 - inputs contained in semi-finished or finished goods held in stock
- Conditions for allowing credit
 - such inputs and/or goods are used/ intended to be used for making taxable supplies under GST Law
 - The taxable person was eligible for CENVAT credit on receipt of such inputs and/or goods under the earlier law but for his not being liable for registration or the goods remaining exempt under the said law
- The taxable person is eligible for input tax credit under GST Law
- The said taxable person is in possession of invoice and/or other prescribed documents evidencing payment of duty/tax under the earlier law
- Invoices and documents were issued not more than 12 months earlier
- Eligible duties and taxes mean
 - Excise Duty
 - Additional Duty of Excise
 - The National Calamity Contingent Duty
 - Special Additional Duty
 - Countervailing Duty
 - Service Tax
 - Value Added Tax

Goods Lying with Job Worker

- No tax on the Principal manufacturer
 - Inputs / semi-finished goods / finished goods sent to a job worker for further processing / repairing / testing
 - If received back within 6 months or further extension of 2 months from the appointed date
 - Both the job worker and principal declares the inputs held in stock by job worker on behalf of the principal
- Failure on part of job worker to return back the inputs/ semi finished goods within 6 months or further extension of 2 months, would make principal manufacturer liable to pay tax
- Where the job worker returns back the goods after 6 months or further extension of 2 months, such job worker shall be liable to pay tax
- In case of semi-finished or finished goods are sent to job worker for processing or testing, principal may transfer the such finished 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 6 months or further extended period, as may be prescribed.

Key Planning

It should be ensured that all goods sent to job worker for processing should be returned within 6 months from the appointed day. If required the same may be sent to job worker again after the appointed day as per the provisions of GST law



Price Revision

- If a party entered into a contract before the implementation of GST Law and the price of any goods and/or services is revised upwards, the taxable person who had removed may issue to the recipient a supplementary invoice or debit note within 30 days of such price revision.
- Such note issued due to price revised may be deemed to be issued in respect of an outward supply of goods and/or service.

Goods Lying with Agent

Agent shall take credit of the tax paid goods belonging to principal on the grounds as followed:

- Agent must be registered under the GST Law
- Declaration by both principal & agent regarding the stocks prior to the enactment of GST
- The invoices for such goods have been issued twelve months immediately preceding the date of enactment
- The principal has either reversed or not availed the input tax credit in respect of such goods

Pending Refunds or Claims of Credit

Claims of refund or Credit accruing under the existing law shall be disposed off under existing law. Where any claim for refund is partially or fully rejected, the amount so rejected shall lapse.

Key Planning

The refund application under existing law, if any, is rejected the same shall lapse without any further opportunity. Hence it should be ensured that all pending refund claims are disposed off to the extent possible at the earliest

Switching from Composition Scheme

- A registered taxable person, who was either paying tax at a fixed rate under the existing law shall be entitled to credit relating to inputs held in stock or inputs contained in semi-finished or finished goods held in stock. Such credit is eligible on the following conditions:
 - Such inputs and/or goods are used or intended to be used for making taxable goods
 - Tax is not paying as per Sec. 8 of the GST Law
 - Eligible for CENVAT Credit on receipt of such inputs and/or goods under the existing law
 - On production of invoice and/or other prescribed documents evidencing payment of duty
 - Such invoices and/or other prescribed documents were not issued earlier than 12 months effective from the day of implementation of GST Law
- However, if the amount is found to be arrear of tax under GST Law, such amount shall be recovered from the assessee.
- If amount of credit has carried forward under the existing law, such person shall pay an amount by way of debit in his electronic cash/credit register in relation to inputs held in stock.

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About Us

Garv & Affiliates is one of the most professional and dynamic network firms of Chartered Accountants in India. We at Garv & Affiliates are always committed to deliver ideal solutions to our clients based on thorough understanding of their needs. The interests and requirements of our clients and value addition to their business are always our first priority and our expertise and professionalism ensures client satisfaction and complete confidentiality at all times.

Our Vision

Our three-fold vision has always been:

Knowledge Sharing – Professional Commitment – Shaping the Future Together

Our Mentors

CA Ramanand Rustagi, B.com, FCA: Possessing rich experience of 36 years in practice having wide ranging knowledge of audit procedures and practices. Served as Chairman of the Eastern Region of the Institute of Chartered Accountants of India and President of various study circles like the Direct Taxes Professional Association, Association of Corporate Advisors etc. An expert in Income Tax Laws and Practices.

Adv. Ashok Kumar Parakh, B.Com (Hons), L.L.B: An Advocate practicing since 1979 in the areas of Income Tax and other allied laws and has acquired professional experience of more than three decades. Currently he is the President of Jain Swetambar Terapanthi Vidyalaya (Girls) and is also associated with several social and professional organisations such as Terapanth Professional Forum, All India Marwari Sammelan, and Tollygunge Sabha.

Our Team

CA Ajay Mitruka, B.Com (H), FCA, DISA, Grad CWA

Having a post qualification experience of over two decades in the area of Audit, Law, Taxation & Finance, providing services in the area of Direct Taxation including Representation before Income Tax authorities, Business analysis, Financing, Management and Investment Consultancy. Looking after Direct Tax matters including compliance with RBI and FEMA for overseas Investments. Associated with several professional associations such as DTPA, ACAE, Views Exchange, VittaSalahkar, Central Kolkata CA study circle. Also associated with several Social Organisations viz Paribartan, NavaPrayas, Kankurgachi Lok Sanskriti etc

CA Ashish Rustagi, FCA, CIFRS

A dynamic and sincere Chartered Accountant possessing updated knowledge about latest audit practices and standards as well as income tax laws. Has the vision and foresight in the direction of promoting the firm towards best and modern audit practices. Regularly appears at various forums and is associated with various professional associations such as Direct Taxes Professionals' Association, Association of Corporate Advisors & Executives. An expert in Income Tax Laws and Practices.

CA Vikash Parakh, FCA, DISA (ICAI), DIRM (ICAI)

Graduate from St. Xavier's College, Calcutta and a fellow member of the Institute of Chartered Accountants of India with post-qualification experience of over a decade in the thrust areas of GST, Internal Audit, ERP implementation & Business process consultancy. He is also associated with several other professional associations such as Direct Taxes Professionals' Association, Association of Corporate Advisors & Executives and Terapanth Professional Forum. Currently he is member of Kolkata Study Group for GST constituted under ICAI and is also an empanelled faculty on GST.

CA Abhishek Kedia, ACA having 4 years post qualification experience in charge of our branch at Katihar, Bihar. He specialises in Bank Audits and Statutory Audits.

CA Anshuma Rustagi, B.Com (Hons), ACA, DISA (ICAI)

All-India Rank holder throughout the academic career she has been Selected and Invited to present Papers in Regional and National Student Conferences on various issues. Co-Author of "Value Added Tax in West Bengal – A Ready Reckoner", she is an erudite writer and is currently practicing as a Chartered Accountant, Service Tax, Value Added Tax and GST having served in Hindustan Lever Limited as a management trainee for 6 months.

CA Rachana Mitruka, FCA

Having experience of almost 18 years, efficiently handles the drafting of legal opinions / Agreements / MOU etc besides Audit and Company Law compliances

CA Gaurav Kapoor, FCA

Graduate from St. Xavier's College, Calcutta and a fellow member of the Institute of Chartered Accountants of India. He has been efficiently handling audit and assurance services and compliance management since a decade.

CA Anurag Sharma, FCA holding 25 years of experience in income tax and company law matters

CA Gaurav Agarwal, ACA having 4 years experience in direct and indirect taxes

CA Itisha Ghorawat, ACA, ACS having 4 years post qualification experience in company law and audit

CA Narayan Sharma, ACA, ACMA

CA Naina Mittal, ACA

Adv. Sumit Saurav, B.A. LL.B. (Taxation Law Hons.)