



**Office of Commissioner Commercial Taxes Department, Tax Tower,
Thiruvananthapuram**

GSTC 24614/16/CT Eoffice 11137/17

Dated 22nd June 2017

ADVISORY - 1

Sub:- Stock – Input tax credit – reg.

Dealers under the existing KVAT Act are eligible for refund of the excess input tax credit at their disposal as on 31-03-2017. As per the GST law for April, May and June 2017; the input tax credit can be carried forward.

The regular TIN dealers have to file return for June 2017 in time and that will contain legally available input tax credit for the first quarter of 2017-18. For the carry forward of this excess input tax credit in the GST Law, the dealers have to file Form 'GST TRAN-1' on or before 30th September, 2017 (within 90 days) from the day of roll out of GST. However it is advisable to file details well in time.

GST TRAN-1 is a declaration form to be filed in the GSTN portal. Every GST TRAN-1 details furnished in the form shall be verified by the respective Tax Authorities with the books of accounts.

Input tax credit if wrongly availed will be dealt with under Sec.73 or 74 of the GST Law and will be demanded and recovered.

For the proper carry forward of input tax credit the dealer have to comply with the following:

1. File all the returns under the existing law in time.

2. Upload closing stock and annual return for the year relating to 2016-17.
3. Ensure that all purchase and sales are correctly uploaded along with returns for April, May and June, 2017.
4. Presumptive dealers and Compounded dealers claiming input tax on closing stock shall ensure that the purchase and sales list uploaded for the last 12 months in KVATIS.
5. Unavailed portion of purchase tax paid u/s.6(2) by regular TIN dealers can be carried forward.
6. Statutory forms claiming for concessional rate of tax shall be filed within the prescribed time, failing which the amount of carry forward of excess credit will be reduced to that extent.
7. With regard to rubber dealers who have been paying purchase tax and claiming exemption from CST vide notification shall not be carried forward.
8. Unavailed portion of input tax credit on capital goods for which instalments were granted by the assessing authority will also be eligible for carried forward.
9. Dealers paying Compounded tax and Presumptive dealers are eligible for input tax credit on closing stock held as on 30-06-2017 and such credit shall not be available for purchases made before 01-07-2016. Invoices evidencing payment of tax u/s.6(1) of the KVAT Act should have been uploaded.
10. Stock of tax paid on MRP rate goods is eligible for full claim of ITC paid as per the invoice in Form No.8H, if the invoice contains details of tax

collection. In other cases if the tax element is not identifiable they are also eligible for credit at 40% at the time of supply within the State but that scheme will be applicable only for 6 months from the date of introduction of GST.


COMMISSIONER

Copy to –

Copy to all Trade bodies and organization for information

All Dy Commissioners for information. They are instructed to discuss in Trade awareness meeting.

ITMC – to upload in Web site

PR – GST Cell – to give a press release