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

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**GSTC 24614/16/CT Eoffice 11137/17**

**Dated 22nd June 2017**

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**CIRCULAR No 10  
Sub:- Stock – Input tax credit – reg.  
Ref: Advisory 1 dated 22<sup>nd</sup> June 2017**

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Kerala state follows a mechanism where the excess input tax at the end of the year is granted as refund. So the excess input tax for the financial year 2016-17 has to be dealt with under the Kerala Value Added Tax Act i.e., by granting refunds after due verification pursuant to application under 21CC, 21C or Rule 89.

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 30<sup>th</sup> September, 2017 (within 90 days) from the day of roll out of GST.

The next step involved is the verification of the claims of credit. It is to be done under Sec.73 or 74 of GST Act. After filing of annual return steps of audit may be planned with regard to such cases. During Audit, the books of accounts along with financial statements of the assessee has to be verified along with the returns and other documents to be filed under KVAT Act.

It is advisable that we may complete verification as and when the dealers filing 'GST TRAN-1'.

The credit of Central Taxes subsumed in GST will be verified by CGST authorities.

The following points are to be verified with regard to carry forward of input tax credit by regular TIN dealers:

Deales have complied with

1. Filing of all returns for the month of April, May, June, 2017 along with enclosures.
2. Filing of returns and audited statement of accounts for the year 2016-17.
3. Filing of statutory forms claiming exemption or reduction under CST Act.
4. Filing of closing stock as on 30-06-2017 along with PMT 1 has to be examined with closing stock of 31-03-2017 along with purchase and sales.
5. The order and availment of credit on capital goods has to be verified.
6. In cases where concessional rate has been claimed without production of statutory forms, proportionate ITC has to be disallowed.

  
COMMISSIONER

**Copy to –**

All Dy Commissioners for information. They are instructed to orient the assessing authorities.

GST Cell – for record