

Chapter XIV  
Transitional Provisions

**117. Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day.-** (1) Every registered person entitled to take credit of input tax under section 140 shall, within ninety days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1**, duly signed, on the common portal specifying therein, separately, the amount of input tax credit to which he is entitled under the provisions of the said section:

Provided that the Commissioner may, on the recommendations of the Council, extend the period of ninety days by a further period not exceeding ninety days.

Provided further that in the case of a claim under sub-section (1) of section 140, the application shall specify separately –

(i) the value of claims under section 3, sub-section (3) of section 5, sections 6 and 6A, and sub-section (8) of section 8 of the Central Sales Tax Act, 1956 made by the applicant and

(ii) the serial number and value of declarations in Forms C and / or F and Certificates, in Forms E and / or H or Form I specified in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 submitted by the applicant in support of the claims referred to in sub-clause (i) above.

(2) Every declaration under sub-rule (1) shall-

(a) in the case of a claim under sub-section (2) of section 140, specify separately the following particulars in respect of every item of capital goods as on the appointed day-

(i) the amount of tax or duty availed or utilized by way of input tax credit under each of the existing laws till the appointed day; and

(ii) the amount of tax or duty yet to be availed or utilized by way of input tax credit under each of the existing laws till the appointed day;

(b) in the case of a claim under sub-section (3) or clause (b) of sub-section (4) or sub-section (6) or sub-section (8) of section 140, specify separately the details of stock held on the appointed day;

(c) in the case of a claim under sub-section (5) of section 140, furnish the following details, namely:—

(i) the name of the supplier, serial number and date of issue of the invoice by the supplier or any document on the basis of which credit of input tax was admissible under the existing law;

(ii) the description and value of the goods or services;

- (iii) the quantity in case of goods and the unit or unit quantity code thereof;
- (iv) the amount of eligible taxes and duties or, as the case may be, the value added tax or entry tax charged by the supplier in respect of the goods or services; and
- (v) the date on which the receipt of goods or services is entered in the books of account of the recipient.

(3) The amount of credit specified in the application in **FORM GST TRAN-1** shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the common portal.

(4) (a) (i) A registered person who was not liable to be registered under the existing law or who was engaged in the sale of exempted goods under the existing law but which are liable to tax under the Act and rules made thereunder shall, in accordance with the proviso to sub-section (3) of section 140, be allowed to avail of input tax credit in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day in respect of which he is not in possession of any document evidencing payment of value added tax / entry tax.

(ii) The input tax credit referred to in sub-clause (i) shall be allowed at the rate of sixty per cent on such goods which attract state tax at the rate of nine per cent or more and forty per cent for other goods of the state tax applicable on supply of such goods after the appointed date and shall be credited after the state tax payable on such supply has been paid:

Provided that where integrated tax is paid on such goods, the amount of credit shall be allowed at the rate of thirty per cent and twenty per cent respectively of the said tax;

(iii) The scheme shall be available for six tax periods from the appointed date.

(b) The credit of state tax shall be availed subject to satisfying the following conditions, namely:-

(i) such goods were not exempt and eligible for claiming input tax credit under value added tax / entry tax.

(ii) the document for procurement of such goods is available with the registered person;

(iii) the registered person availing of this scheme and having furnished the details of stock held by him in accordance with the provisions of clause (b) of sub-rule (2), submits a statement in **FORM GST TRAN 2** at the end of each of the six tax periods during which the scheme is in operation indicating therein, the details of supplies of such goods effected during the tax period;

(iv) the amount of credit allowed shall be credited to the electronic credit ledger of the applicant maintained in **FORM GST PMT-2** on the common portal; and

(v) the stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.

**118. Declaration to be made under clause (c) of sub-section (10) of section 142.-** Every person to whom the provision of clause (c) of sub-section (10) of section 142 applies, shall within a period of ninety days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1** furnishing the proportion of supply on which Value Added Tax or

service tax has been paid before the appointed day but the supply is made after the appointed day, and the Input Tax Credit admissible thereon.

**119. Declaration of stock held by a principal and agent.-** Every person to whom the provisions of section 141 apply shall, within ninety days of the appointed day, submit a declaration electronically in **FORM GST TRAN-1**, specifying therein, the stock of the inputs, semi-finished goods or finished goods, as applicable, held by him on the appointed day.

**120. Details of goods sent on approval basis.-** Every person having sent goods on approval under the existing law and to whom sub-section (11) of section 142 applies shall, within ninety days of the appointed day, submit details of such goods sent on approval in **FORM GST TRAN-1**.

**121. Recovery of credit wrongly availed.-** The amount credited under sub-rule (3) of rule 117 may be verified and proceedings under section 73 or, as the case may be, section 74 shall be initiated in respect of any credit wrongly availed, whether wholly or partly.