

## Transition Rules Related To Pharma Traders

1. Persons entitled to take transition credit will have to submit a declaration within 90 days (upto 30th Sept 2017) specifying the credit he wants to take on stocks lying with him on 30th June 2017. Your delay in submitting the details of closing stocks may give negative impact availing of credit of SGST.
2. Declaration will have to be submitted in from GST Tran-1.
3. Commissioner can extend this timeline by another 90 days.
4. Deemed Credit:  
**Persons who do not have excise invoice, will be eligible to take credit in the following manner:**
  - A. For goods taxable @ 12% then credit shall be allowed @40% of CGST i.e if GST @12% then 40% credit will be available @2.4% i.e (40% of 6% CGST)
  - B. For goods taxable @ 18% and above then credit shall be allowed @60% of CGST i.e if GST @18% then 60% credit will be available @ 5.4% i.e (60% of 9% CGST) and incase of GST @28% credit will be available @8.4% i.e (60% of 14% of CGST)
5. Credit in the above Deemed Credit scheme will be available only once the said goods are sold and GST is paid. It's like a cash back scheme.
6. To take the credit in this scheme following conditions will have to be fulfilled:
  - A. such goods were not unconditionally exempt from excise
  - B. The document for procurement of such goods is available
  - C. The stock of goods on which the credit is availed is so stored that it can be easily identified by the registered person.
7. Deemed credit scheme will go on for 6 months from GST implementation date, so stocks lying as on 30th June 2017 have to be sold maximum upto 31<sup>st</sup> December, 2017. No credit will be available if these goods are not sold prior to 31<sup>st</sup> December 2017.
8. Separate return under form GST Tran -2 will have to be filed every month to avail the credit.
9. Every person to whom the provision of section 142 (11) (c) applies, shall submit a declaration within 90 days of GST implementation date in form GST TRAN-1 furnishing the proportion of supply on which VAT or service tax has been paid before the GST day but the supply is made after the GST day, and the ITC admissible thereon.
10. Every person having sent goods on approval under the existing law and to whom section 142 (12) applies shall, within 90 days of the appointed day, submit details of such goods sent on approval in form GST Tran – 1.