

From	Karvy Data Management Services Ltd.
Date	August 18, 2017
Subject	Date and conditions for filing of return in Form GSTR-3B for the month of July 2017
Category	Notification & Press Release

With all the buzz in the industry on the utilisation of transitional credit of erstwhile indirect tax regime for discharging the output tax liability for the month of July 2017 while filing of Form GSTR-3B, Government of India has come up with a clarification on this in a press release document and vide notification no. 23/2017-central tax dated 17<sup>th</sup> August 2017.

Due date for filing of return in Form GSTR-3B for the month of July 2017 has been extended in the said notification with respect to the utilisation of transitional credit by filing Form TRANS-1. Below mentioned is the gist of the press release document and notification no. 23/2017-central tax dated 17<sup>th</sup> August 2017:

Sl. No.	Class of registered persons	Last date for filing of return in Form GSTR-3B	Conditions
1	Registered persons entitled to avail transitional credit but planning not to opt for such availment of transitional credit by filing Form TRANS-1 by 28.08.17 for discharging output tax liability for the month of July 2017 or such registered persons who do not have any transitional credit	20.08.2017	<ul style="list-style-type: none"> <li>• <b>Tax to be calculated as:</b> Tax payable = (Output tax liability + Tax payable under reverse charge) – input tax credit availed for the month of July, 2017</li> <li>• Any tax payable after computation in above step is required to be deposited in cash on or before 20.08.2017.</li> <li>• File return in Form GSTR-3B for the month of July 2017 on or before 20.08.2017</li> </ul>
2	Registered persons entitled to avail transitional credit and planning to opt for such availment of transitional credit by filing Form TRANS-1 by 28.08.17 and further discharging the output tax liability for the month of July 2017	28.08.2017	<ul style="list-style-type: none"> <li>• File Form GST TRAN-1 (which will be available on the common portal from 21.08.2017) before filing the return in FORM GSTR-3B</li> <li>• <b>Tax to be calculated as:</b> Tax payable = (Output tax liability + Tax payable under reverse charge) – (transitional credit + input tax credit availed for the month of July, 2017)</li> <li>• Any tax payable after computation in above step is required to be deposited in cash on or before 20.08.2017.</li> <li>• In case of tax payable while filing of return in Form GSTR-3B for July 2017 (post 20.08.17 but before 28.08.17) is found to be greater than the cash amount deposited as per above step, balance tax payable amount needs to be deposited in cash along with interest @18% p.a to be calculated from 21.08.2017 till the date of such deposit.</li> <li>• File return in Form GSTR-3B for the month of July 2017 on or before 28.08.2017</li> </ul>

We have attached notification no. 23/2017-central tax dated 17<sup>th</sup> August 2017 and the press release clarification note with this knowledge sharing article for your reference.

Scenario wise due date for filing of return in Form GSTR-3B and TRANS-1 is well described in the below mentioned table:

KDMSL Analysis					
Sl. No.	Scenario	Opting to avail transitional credit (CENVAT/VAT/Entry tax) for discharging output tax liability for July 17	Due date of filing return in Form GSTR-3B	Due date of filing Form TRANS-1	Due date of making balance tax payment in cash
1	Transitional credit is available	Yes	28.08.2017	28.08.2017	20.08.2017
2	Transitional credit is available	No	20.08.2017	30.09.2017	20.08.2017
3	Transitional credit is not available	NA	20.08.2017	NA	20.08.2017

**Example for Scenario 1 above:** ABC Limited was registered under Excise, VAT or Service tax and has a balance of Rs.1,50,000 as transitional credit (CENVAT and VAT). ABC Limited is also satisfying all criteria for taking transitional credit as per Section 140 of the CGST Act. They have GST input tax credit balance for July 2017 of Rs.45,000. As per July 2017 their GST output tax liability is Rs.2,25,000. They have opted **to avail** the set off of transitional credit.

They will avail ITC (Rs.1,50,000 + Rs.45,000) = 1,95,000 and have to pay balance liability in cash (Rs.2,25,000 – Rs.1,95,000) = Rs.30,000 by 20<sup>th</sup> August 2017. They will also have to file Form GST TRAN 1 by 28<sup>th</sup> August 2017 and subsequently file Form GSTR 3B by 28<sup>th</sup> August 2017.

**Example for Scenario 2 above:** ABC Limited was registered under Excise, VAT or Service tax and has a balance of Rs.1,50,000 as transitional credit (CENVAT and VAT). ABC Limited is also satisfying all criteria for taking transitional credit as per Section 140 of the CGST Act. They have GST input tax credit balance for July 2017 of Rs.45,000. As per July 2017 their GST output tax liability is Rs.2,25,000. They have opted **not to avail** the set off of transitional credit.

They will avail GST ITC of Rs.45,000 of the current month and have to pay balance liability in cash (Rs.2,25,000 – Rs.45,000) = Rs 1,80,000 by 20<sup>th</sup> August 2017. They will file Form GSTR 3B by 20<sup>th</sup> August 2017. They will also file Form GST TRAN 1 within 90 days from appointed date i.e. by 30<sup>th</sup> September, 2017.

**Example for Scenario 3 above:** ABC Limited was not registered under Excise, VAT or Service tax. They have GST input tax credit balance for July 2017 of Rs.45,000. As per July 2017 their GST output tax liability is Rs.2,25,000.

They will avail GST ITC of Rs.45,000 of the current month and have to pay the balance liability in cash (Rs.2,25,000 – Rs.45,000) = Rs 1,80,000 by 20<sup>th</sup> August 2017. They will file Form GSTR 3B by 20<sup>th</sup> August 2017.

Should you require any assistance in this regard, please feel free to reach out to us at:

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Contact No. +91-982374187 (KDMSL GST Compliance Team Member - Dipak Tiwary)

## **About KARVY DATA MANAGEMENT SERVICES LTD.**

Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi and Kolkata. For more information about KDMSL service offerings, visit [www.karvygst.com](http://www.karvygst.com)

Below are the co-ordinates of our representatives from GST Team across India:

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***Disclaimer: The interpretation of notification is for general information purpose only. Karvy Data Management Services Limited shall not accept any liability for any decision taken based on the advice. You should carefully study the situation and consult tax advisors before taking any decision.***