

TAX INFO

Dated 04.10.2022

Latest update on GST Law: **Re-opening of TRAN Forms to claim Transitional ITC.**

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1. The Hon'ble Supreme Court of India vide order dated 22.07.2022 in the matter of Union of India vs. M/s. Filco Trade Centre Pvt. Ltd., SLP(C) No. 32709-32710/2018 have allowed the aggrieved taxpayers to file Form TRAN-1/TRAN-2 to claim the transitional Input Tax Credit (ITC). Thus, the facility for filing TRAN-1/TRAN-2 or revising the earlier filed TRAN-1/TRAN-2 on the GST common portal, **is now available on GSTN from 01.10.2022 till 30.11.2022.**
2. The present process flow of TRAN filing is different from the filing process in the financial year 2017-18. As per the present flow the transitional credit availed by the taxpayer in TRAN-1/2 forms shall be verified by the jurisdictional tax officer before the credit entry is made in the respective ledgers. The TRAN-1/2 filing process has been improved vis-à-vis previous instance and the user interface of the portal has been made simpler for the taxpayers to file their TRAN-1/2 forms.
3. In compliance of the Supreme Court's directive, the TRAN-1/2 forms are enabled and the default filing status of TRAN-1/2 forms for all taxpayers is now visible as "Not Filed". The status "Not Filed" only implies that TRAN-1/2 forms are not filed in the new window provided by GSTN on the basis of directions by the Hon'ble Supreme Court Order.
4. The registered persons, who had successfully filed TRAN-1/TRAN-2 earlier, and who do not require to make any revision in the same, are not required to file/ revise TRAN-1/TRAN-2 again during this period from 01.10.2022 to 30.11.2022.
5. The option of filing or revising TRAN-1/TRAN-2 on the common portal during the period from 01.10.2022 to 30.11.2022 is a **one-time opportunity** for the applicant to either file the said forms, if not filed earlier, or to revise the forms filed earlier.
6. The taxpayer would be provided with three tabs on the top band for TRAN-1, TRAN-2 and Upload Documents respectively. The tile of Form TRAN-1 will be visible by default.
7. For the question, Whether all the returns required under existing law for the period of six months immediately preceding the appointed date have been furnished, select the Yes or No option as the case may be. The taxpayers are advised to carefully select an option as this is a very important step. If 'Yes' is selected then the all tables of TRAN-1 shall be open for the taxpayers to fill in with the respective details. However, if the taxpayers select 'No', then the system would not allow the taxpayers to fill details in Table 5 and Table 8 of TRAN-1 and these tables would be hidden from the taxpayers.
8. The taxpayers should ensure that there are no saved records in Table 5 & Table 8 of TRAN-1 forms before selecting "No" option. Selecting an option of Yes / No contradicting to the data filed / not filed in Table 5 and 8 of TRAN-1 respectively may result in denial of credit by the officer examining the details of the form filled.
9. The taxpayers are advised to download the uploaded records and verify the same. This would ensure that correct records are added/ uploaded. Form should be submitted thereafter only.
10. The taxpayer can also download the complete TRAN-1 details added by them by clicking on button "DOWNLOAD TRAN-1 DETAILS". Taxpayers are advised to download the filled TRAN-1 form in Excel file and verify the details before finally submitting Form TRAN-1.
11. The taxpayers must file the TRAN-1 form by clicking the "File with DSC" or "File with EVC" button after clicking the "Submit" button for submitting the TRAN-1 form.
12. Once TRAN-1 is Filed successfully, it cannot be revised. Taxpayer should verify details furnished by them before clicking on Submit button.

13. In case a taxpayer has already filed his original TRAN-1 and wants to revise his/her earlier filed TRAN-1, the taxpayer has to file the complete form with all the required details and not the differential values (i.e. the difference between originally claimed credit and credit being claimed now).
14. The taxpayers are also provided with a preview functionality wherein they can download the currently filled TRAN forms in Excel format and ensure the correctness of the details filled by them before finally submitting the form.
15. The taxpayers are advised to save the added records using “Save” button on each table before navigating to other tables. At this stage, modifying and editing records is feasible.
16. The taxpayers are allowed to modify/edit, add or delete any record in any of the table of the said forms before clicking the “Submit” button. Once “Submit” button is clicked, the entries from the form gets locked, and no further editing of details would be allowed. This locked form would then be required to be mandatorily filed on the portal using “File with DSC” or “File with EVC” button using Digital signature certificate (DSC) or an EVC. If the submitted forms are not filed with DSC or EVC then the submitted forms would be considered as Not Filed as it would be an unsigned form.
17. The taxpayer shall file the entire claim in one consolidated FORM GST TRAN-2, instead of filing the claim tax period wise. In the column “Tax Period” in FORM GST TRAN-2, the taxpayer shall mention the last month of the consolidated period for which the claim is being made.
18. TRAN-2 form shall be made available only if the taxpayer has filed TRAN-1 and have made declaration in table 7 of TRAN-1. The taxpayer has to fill the complete details afresh in case they are revising the earlier filed TRAN-2 Form.
19. The taxpayer can download the complete TRAN-2 details added by them by clicking on button “DOWNLOAD TRAN-2 DETAILS”. It is advisable that the taxpayer downloads the Excel file to verify the details before finally submitting the same. Taxpayer must ensure correctness of the form before clicking on submit button, once the taxpayer has clicked on Submit button, they shall not be allowed to edit the form.
20. The taxpayers, who have filed TRAN-2 earlier, can download the earlier filed TRAN-2 form by clicking on DOWNLOAD EARLIER FILED TRAN-2 button.
21. Taxpayers must file the TRAN-2 form after clicking the Submit button by EVC or DSC. The forms will be sent to jurisdictional tax officers only on successful filing of TRAN-2 form. Once TRAN-2 is filed it cannot be revised. Taxpayer to ensure every detail furnished by them is correct before clicking on Submit button.
22. A separate facility to upload any supporting documents in GST transition is also provided to the taxpayers after filing the TRAN forms in the “Upload Documents” tab. Taxpayers are required to click submit button once all the required document is uploaded. Once the details are submitted, no further changes can be made. Taxpayer to ensure every document furnished by them is correct before clicking on Submit as they would be used by the officers to verify the ITC claim.
23. The declaration in FORM GST TRAN-1/TRAN-2 filed/revised by the applicant will be subjected to necessary verification by the concerned tax officers. The applicant may be required to produce the requisite documents/ records/ returns/ invoices in support of their claim of transitional credit before the concerned tax officers for verification of their claim.
24. After the verification of the claim, the jurisdictional tax officer will pass an appropriate order thereon on merits after granting appropriate reasonable opportunity of being heard to the applicant. The transitional credit allowed as per the order passed by the jurisdictional tax officer will be reflected in the Electronic Credit Ledger of the applicant on the GST common portal.

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