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GOVERNMENT OF INDIA
MINISTRY OF FINANCE : DEPARTMENT OF REVENUE
OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF GST & CENTRAL EXCISE
TAMILNADU & PUDUCHERRY
No.26/1, MAHATHMA GANDHI ROAD, CHENNAI - 600 034

C.No. IV/16/10/2018-PCCO

Date: 28-02-2018

GST TRADE NOTICE No.009/2018

Sub: GST - Directions under Section 168 of the CGST Act regarding non-transition of CENVAT credit under Section 140 of CGST Act or non-utilisation thereof in certain cases - GST Circular No.33/07/2018-GST dated 23.02.2018 - Communication thereof - Reg.

The Central Board of Excise & Customs [CBEC] has issued Circular No.33/07/2018-GST dated 23.02.2018 pertaining to directions under Section 168 of the CGST Act regarding non-utilisation of disputed credit carried forward and non-transition of blocked credit. The gist of the aforesaid Circular is detailed as hereunder:

2. **Non-utilization of Disputed Credit carried forward** - Where in relation to a certain CENVAT credit pertaining to which a show cause notice was issued under Rule 14 of the CENVAT Credit Rules, 2004, which has been adjudicated and where in the last adjudication Order or the last Order-in-Appeal, as it existed on 1st July, 2017, it was held that such CENVAT credit is not admissible, then such CENVAT credit (herein and after referred to as "disputed credit"), credited to the electronic credit ledger shall not be utilized by a registered taxable person to discharge his tax liability under the CGST Act, 2017 or the IGST Act, 2017, till the Order-in-Original or the last Order-in-Appeal, as the case may be, holding that disputed credit as inadmissible is in existence. If the said disputed credit is utilised, it shall be recovered from the tax payer, with interest and penalty as per the provisions of the Act.

3. **Non-transition of Blocked Credit** - As per Section 140(1)(i) of the Act, a registered person shall not take in his electronic credit ledger, amount of CENVAT credit as is carried forward in the return relating to the period ending with the day immediately preceding the appointed day which is not eligible under the Act in terms of sub-section (5) of section 17 (hereinafter referred to as 'blocked credit'). If the said blocked credit is carried forward and credited to the electronic credit ledger, it shall not be utilized by a registered taxable person to discharge his tax liability under the CGST Act, 2017 or the IGST Act, 2017, and shall be recovered from the tax payer with interest and penalty as per the provisions of the Act.

4. **Undertaking in case of disputed/blocked credit amount exceeding Rs. 10 Lakhs -**

In all cases where the disputed credit or blocked credit is higher than Rupees Ten Lakhs, the taxpayers shall also submit an undertaking to the jurisdictional officer of the Central Government that such credit shall not be utilized or has not been availed as transitional credit, as the case may be.

5. This Trade Notice is being issued so as to sensitize the trade and field formations about the contents of the aforesaid reference and for complete details, the respective reference may please be referred in the CBEC's website www.cbec.gov.in.

6. All the Commissioners are requested to bring the contents of the Trade Notice to the notice of all the officers working under their charge and the assesseees falling under their respective jurisdiction.

7. The Trade & Industry Associations/Chambers of Commerce are requested to bring the contents of the Trade Notice to the notice of all their members.



[C.P. RAO]
PRINCIPAL CHIEF COMMISSIONER

To

- i. The Principal Commissioner / Commissioner of GST and Central Excise,
Chennai North / Chennai South / Chennai Outer / Coimbatore / Salem /
Tiruchirappalli / Madurai / Puducherry / Chennai Audit I / Chennai Audit II /
Coimbatore Audit / Chennai Appeals I / Chennai Appeals II / Coimbatore Appeals
Commissionerates
- ii. The Commissioner of Commercial Taxes, State CT Head Office, Ezhilagam,
No.3, Kamarajar Salai, Chepauk, Chennai-600005 **[By e-mail]**
- iii. Zonal RAC Members **[By e-mail]**

✓ Copy to the Computer Section, Chennai North Commissionerate [For uploading in website]