



Govt. of India, Ministry of Finance, Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue  
कार्यालय आयुक्त / OFFICE OF THE COMMISSIONER  
केन्द्रीय वस्तु एवं सेवाकर, गाजियाबाद / CENTRAL GST COMMISSIONERATE, GHAZIABAD  
सी.जी.ओ. कॉम्प्लेक्स-II, कमलानेहरूनगर, गाजियाबाद (उ.प्र.) - 201002  
C.G.O. COMPLEX - II, KAMLA NEHRU NAGAR, GHAZIABAD (U.P.) - 201002  
दूरभाष/ Ph. : 0120 - 2789248, फैक्स/ Fax : 0120 - 2789170

Trade Notice No: 05/Tech/GZB/2018-19

Dated : 07/05/2018

**Subject: Clarification regarding procedure for recovery of arrears under the existing law and reversal of inadmissible input tax credit-Reg.**

Circular No. 42/15/2018-GST dated 13/04/2018 issued under F. No.CBEC-20/16/03/2017-GST by the Govt. of India, Ministry of Finance, Department of Revenue, Central Board of Indirect Taxes and Customs, (GST Policy Wing), deals on procedure for recovery of arrears under the existing law and reversal of inadmissible input credit.

Members of Trade and Industry Associations, Members of Public Grievance Committee, Chambers of Commerce and Jewelers Association, Vyapaar Mandal, All Taxpayers including Exporters, Companies, Individuals, Independent Persons and Suppliers of Zero rated Goods and Services and the field formations of the under the jurisdiction of the Commissionerate are requested to bring the contents of the Circular to the knowledge of all taxpayers registered/operating under the jurisdiction of the GST Commissionerate, Ghaziabad.

(Rajeev Yadav)  
Commissioner

Dated:- 14/05/18

C.No. V(30)Tech./GZB/TN/03/2018-19/PT./1398(SI)

Copy to -

1. The Chief Commissioner, Customs & Central GST, Meerut Zone, Meerut.
2. The Principal Commissioner/Commissioner, Customs Commissionerate Noida, ICD Dadri, Tilpatta, Greater Noida.
3. The Principal Commissioner/Commissioner, Central GST: Commissionerate Noida, Gautambudh Nagar, Meerut, Dehradun, Audit Meerut, Audit Noida (At Ghaziabad).
4. The Deputy/Assistant Commissioner, Central GST Division-I/II/III/IV/V/VI/VII, Ghaziabad.
5. The Superintendent - System, Central GST, Ghaziabad for posting the Trade Notice on the official website of the Commissionerate.
6. All members of R.A.C. (SSI, Organized & Service Tax Sector) as per mailing list.
7. Notice Board.

Superintendent (Tech)





Govt. of India, Ministry of Finance, Central Board of Indirect Taxes and Customs (CBIC), Department of Revenue

कार्यालय आयुक्त / OFFICE OF THE COMMISSIONER

केन्द्रीय वस्तु एवं सेवाकर, गाजियाबाद / CENTRAL GST COMMISSIONERATE, GHAZIABAD

सी०जी०ओ०कॉम्प्लेक्स-II, कमलानेहरूनगर, गाजियाबाद (उ० प्र०) - 201002

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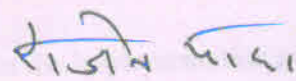
ट्रेड नोटिस नं०: 05/तकनीकी/गा०बाद/2018-19

दिनांक - 07/05/2018

विषय: मौजूदा कानून के तहत बकाया राशि की वसूली के लिए प्रक्रिया और अस्वीकार्य इनपुट कर क्रेडिट के विपर्य के बारे में स्पष्टीकरण के सम्बन्ध में

भारत सरकार के वित्त मंत्रालय, राजस्व विभाग, केन्द्रीय उत्पाद शुल्क और सीमा शुल्क बोर्ड, जी एस टी, नीति विंग, नई दिल्ली द्वारा एफ नं CBEC-20/16/03//2017-GST के तहत द्वारा जारी परिपत्र सं-42/16/2018--जी एस टी दिनांक 13.04.2018, मौजूदा कानून के तहत बकाया राशि की वसूली के लिए प्रक्रिया और अस्वीकार्य इनपुट कर क्रेडिट के विपर्य के बारे में स्पष्टीकरण के सम्बन्ध में जारी किया गया है.

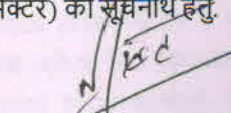
व्यापार तथा उद्योग एसोसिएशन के सदस्य, लोक शिकायत समिति सदस्य, चेम्बेर्स ऑफ कॉमर्स एवम ज्वेलर्स एसोसिएशन के सदस्य, व्यापार मण्डल, निर्यातकों, कंपनियों, व्यक्तियों, स्वतंत्र व्यक्तियों और स्वतंत्र रेटेड सामानों और सेवाओं के आपूर्तिकर्ताओं सहित सभी करदाताओं तथा आयुक्तालय के अधीनस्थ फील्ड फार्मेशन से अनुरोध है कि वे इस व्यापार सूचना के तथ्यों से जीएसटी आयुक्तालय गाज़ियाबाद के सभी पंजीकरत करदाताओं को अवगत कराये.

  
(राजीव यादव)  
आयुक्त

पत्रांक सं. वी.(30)तक०/गा०बाद/ट्रे० नो० /03/2018-19/PT. | 1059(314)  
प्रतिलिपि :-

दिनांक:- 14/05/18

1. मुख्य आयुक्त, सीमा, केन्द्रीय कर, मेरठ परिच्छेत्र, मेरठ.
2. प्रधान आयुक्त / आयुक्त, सीमा शुल्क आयुक्तालय नोएडा, आई.सी.डी दादरी, तिल्यता, ग्रेटर नोएडा.
3. प्रधान आयुक्त / आयुक्त, केन्द्रीय कर आयुक्तालय : नोएडा, गौतमबुद्धनगर, मेरठ, देहरादून, लेखा परीक्षा मेरठ, लेखा परीक्षा नोएडा (गाज़ियाबाद).
4. उप/सहायक आयुक्त, केन्द्रीय कर, मण्डल-I/II/III/IV/V/VI/VII, गाज़ियाबाद.
5. अधीक्षक - सिस्टम, केन्द्रीय कर, गाज़ियाबाद को इस निर्देश के साथ कि आयुक्तालय की वैबसाइट पर लोड करे।
6. डाक सूची के अनुसार सभी आर. ए. सी. मेंबर (एस.एस.आई. संगठित एवम सेवाकर सैक्टर) को सूचिनार्थ हेतु.
7. नोटिस पटल.

  
अधीक्षक (तकनीकी)



**CBEC-20/16/03/2017-GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**  
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New Delhi, Dated the 13<sup>th</sup> April, 2018

To  
The Principal Chief Commissioners/Chief Commissioners/ Principal Commissioners/  
Commissioner of Central Tax (All) / The Principal Directors General/ Directors General  
(All)

**Sub: Clarification regarding procedure for recovery of arrears under the existing law and reversal of inadmissible input tax credit-reg.**

Madam/ Sir,

Kind attention is invited to the provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act) relating to the recovery of arrears of central excise duty /service tax and CENVAT credit thereof, CENVAT credit carried forward erroneously and related interest, penalty or late fee payable arising as a result of the proceedings of assessment, adjudication, appeal etc. initiated before, on or after the appointed date under the provisions of the existing law. In this regard, representations have been received seeking clarification on the procedure for recovery of such arrears in the GST regime.

2. The issues have been examined and to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, (hereinafter referred to as the "CGST Act") hereby specifies the procedure to be followed for recovery of arrears arising out of proceedings under the existing law.

3. **Legal provisions relating to the recovery of arrears of central excise duty and service tax and CENVAT credit thereof arising out of proceedings under the existing law (Central Excise Act, 1944 and Chapter V of the Finance Act, 1994)**

i) **Recovery of arrears of wrongly availed CENVAT Credit:**

In case where any proceeding of appeal, review or reference relating to a claim for CENVAT credit had been initiated, whether before, on or after the appointed day, under the existing law, any amount of such credit becomes recoverable, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(6)(b) of the CGST Act refers].



ii) **Recovery of CENVAT Credit carried forward wrongly:**

CENVAT credit of central excise duty/service tax availed under the existing law may be carried forward in terms of transitional provisions as per section 140 of the CGST Act subject to the conditions prescribed therein. Any credit which is not admissible in terms of section 140 of the CGST Act shall not be allowed to be transitioned or carried forward and the same shall be recovered as an arrear of tax under section 79 of the CGST Act.

iii) **Recovery of arrears of central excise duty and service tax:**

- a. Where in pursuance of an assessment or adjudication proceedings instituted, whether before, on or after the appointed day, under the existing law, any amount of tax, interest, fine or penalty becomes recoverable, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(8)(a) of the CGST Act refers].
- b. If due to any proceedings of appeal, review or reference relating to output duty or tax liability initiated, whether before, on or after the appointed day, under the existing law, any amount of output duty or tax becomes recoverable, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(7)(a) of the CGST Act refers].

iv) **Recovery of arrears due to revision of return under the existing law:**  
Where any return, furnished under the existing law, is revised after the appointed day and if, pursuant to such revision, any amount is found to be recoverable or any amount of CENVAT credit is found to be inadmissible, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(9)(a) of the CGST Act refers].

4. In view of the above legal provisions, recovery of central excise duty/ service tax and CENVAT credit thereof arising out of the proceedings under the existing law, unless recovered under the existing law, and that of inadmissible transitional credit, is required to be made as an arrear of tax under the CGST Act. The following procedure is hereby prescribed for the recovery of arrears:

4.1 **Recovery of central excise duty, service tax or wrongly availed CENVAT credit thereof under the existing law and inadmissible transitional credit:**

- (a) The CENVAT credit of central excise duty or service tax wrongly carried forward as transitional credit shall be recovered as central tax liability to be paid through the utilization of amounts available in the **electronic credit ledger or electronic cash ledger** of the registered person, and the same shall be recorded in **Part II** of the Electronic Liability Register (**FORM GST PMT-01**).



- (b) The arrears of central excise duty, service tax or wrongly availed CENVAT credit thereof under the existing law arising out of any of the situations discussed in para 3 above, shall, unless recovered under the existing law, be recovered as central tax liability to be paid through the utilization of amounts available in the **electronic credit ledger or electronic cash ledger** of the registered person, and the same shall be recorded in **Part II** of the Electronic Liability Register (**FORM GST PMT-01**).

#### 4.2 **Recovery of interest, penalty and late fee payable:**

- (a) The arrears of interest, penalty and late fee in relation to CENVAT credit wrongly carried forward, arising out of any of the situations discussed in para 3 above, shall be recovered as interest, penalty and late fee of central tax to be paid through the utilization of the amount available in **electronic cash ledger** of the registered person and the same shall be recorded in **Part II** of the Electronic Liability Register (**FORM GST PMT-01**).

- (b) The arrears of interest, penalty and late fee in relation to arrears of central excise duty, service tax or wrongly availed CENVAT credit thereof under the existing law arising out of any of the situations discussed in para 3 above, shall, unless recovered under the existing law, be recovered as interest, penalty and late fee of central tax to be paid through the utilization of the amount available in the **electronic cash ledger** of the registered person and the same shall be recorded in **Part II** of the Electronic Liability Register (**FORM GST PMT-01**).

#### 4.3 **Payment of central excise duty & service tax on account of returns filed for the past period:**

The registered person may file Central Excise / Service Tax return for the period prior to 1<sup>st</sup> July, 2017 by logging onto [www.aces.gov.in](http://www.aces.gov.in) and make payment relating to the same through EASIEST portal ([cbec-easiest.gov.in](http://cbec-easiest.gov.in)), as per the practice prevalent for the period prior to the introduction of GST. However, with effect from 1<sup>st</sup> of April, 2018, the return filing shall continue on [www.aces.gov.in](http://www.aces.gov.in) but the payment shall be made through the ICEGATE portal. As the registered person shall be automatically taken to the payment portal on filing of the return, the user interface remains the same for him.

#### 4.4 **Recovery of arrears from assesseees under the existing law in cases where such assesseees are not registered under the CGST Act, 2017:**

Such arrears shall be recovered in cash, under the provisions of the existing law and the payment of the same shall be made as per the procedure mentioned in para 4.3 supra.

5. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

6. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)  
Commissioner (GST)