

Draft Rule for issue of Credit Transfer Document to be inserted in the CENVAT Credit Rules, 2004 for transfer of cenvat credit paid on specified goods available with a trader as on appointed date.

A.(1) A manufacturer who was registered under Central Excise Act, 1944 (hereafter referred as manufacturer in this rule) may issue a document called Credit Transfer Document to evidence payment of duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985, paid on goods manufactured and cleared by him before the date on which CGST Act, 2017 comes into force, under the cover of an invoice issued to a person who was not registered under the Central Excise Act, 1944 but is registered under the provisions of CGST Act, 2017 (hereafter referred to as dealer in this rule), subject to following limitations, conditions and procedures to be followed -

- (i) The value of such goods in higher than rupees twenty five thousand per piece, bears the brand name of the manufacturer or the principal manufacturer and are identifiable as a distinct number such as chassis / engine no. of a car.
- (ii) Verifiable records of clearance and duty payment relatable to each piece of such goods is maintained by the manufacturer and are made available for verification on demand by a Central Excise officer.
- (iii) The Credit Transfer Document shall be serially numbered and shall contain the Central Excise registration number, address of the concerned Central Excise Division, name, address and GSTIN number of the person to whom it is issued, description, classification, invoice number with date of removal, mode of transport and vehicle registration number, rate of duty, quantity, value and duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985 paid thereon.
- (iv) The manufacturer is satisfied that the dealer to whom Credit Transfer Document is issued is in possession of such manufactured goods in the form in which it was cleared by him.
- (v) Credit Transfer Document shall be issued within 30 days of the appointed date on which CGST Act, 2017 comes into force and copy of the corresponding invoices shall be enclosed with the Credit Transfer Document.
- (vi) Copies of all invoices relating to buying and selling from manufacturer to the dealer, through intermediate dealers, is maintained by the dealer availing credit using CTDs.
- (vii) CTD shall not be issued in favour of a dealer to whom invoice was issued for the same goods before the appointed date.

(viii) A dealer availing credit using Credit Transfer Document on manufactured goods shall not be eligible to avail credit under provision of rule 1(4) of Transition Rules made under CGST Act, 2017 on identical goods manufactured by the same manufacturer available in the stock of the dealer.

(ix) The dealer availing credit on the basis of Credit Transfer Document shall , at the time of making supply of such goods, mention the corresponding Credit Transfer Document number in the invoice issued by him under section 31 of the CGST Act, 2017.

(2) Where a manufacturer issues a Credit Transfer Document such that credit of central tax is availed twice on the same goods under the provisions of CGST Act, 2017 and the rules made thereunder, he shall be jointly and severally responsible for excess credit availed by the dealer and provisions for recovery of credit, interest and penalty under the CENVAT Credit Rules, 2004 shall apply mutatis-mutandis on such manufacturer.

(3) A manufacturer issuing a Credit Transfer Document shall submit details thereof in table 1 of TRANS 3 on common portal within sixty days of the appointed date.

(4) A dealer availing credit on Credit Transfer Document shall submit details thereof in table 2 of TRANS 3 on common portal within sixty days of the appointed date.

(5) Manufacturer issuing CTD shall maintain record in the form TRANS 3A and such record shall be made available to the Central Excise officer for verification on demand.

(6) Dealers availing credit on CTDs shall maintain record in the form TRANS 3B and such record shall be made available to the Central Excise officer for verification on demand.

[Note: Rule 9 of the CENVAT Credit Rules, 2004 shall be also amended to include Credit Transfer Document in the list of documents using which credit can be availed subject to the condition that such Credit Transfer Document is issued after the appointed date and within thirty days of the appointed date]

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Incorporate in TRANS 3

1 To be filed by manufacturer issuing CTDs

| S. No. | GSTIN of the dealer whom CTD is issued | Total No. of CTDs issued | No. of invoices against which CTDs have been issued | Total quantity for which CTD issued | Total value of Goods for which CTDs have been issued | Central Excise duty paid on such goods. |
|--------|----------------------------------------|--------------------------|-----------------------------------------------------|-------------------------------------|------------------------------------------------------|-----------------------------------------|
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2 To be filed by dealer availing Credit on CTD.

| S. No. | GSTIN of the dealer issuing CTDs | Total No. of CTD received | No. of invoices against which CTDs have been issued | Total quantity for which CTD issued | Total value of Goods for which CTD has been issued | Central Excise duty paid on such goods. |
|--------|----------------------------------|---------------------------|-----------------------------------------------------|-------------------------------------|----------------------------------------------------|-----------------------------------------|
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TRANS 3A

1 Documents to be maintained by the manufacturer issuing CTDs

| S. No. | CTD No. | Invoices no. against which CTD has been issued | Invoice date | Months in which these clearances were made against the invoices | GSTIN Nos of all the intermediate buyers and sellers through whom the goods have passed. | Value of Goods . | Central Excise duty paid. |
|--------|---------|------------------------------------------------|--------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------|---------------------------|
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Conditions : Copy of invoices of the intermediate dealers through whom goods have passed shall be maintained in records by the dealer availing credit on CTD

TRANS 3B

1 Documents to be maintained by the dealer availing credit on CTDs

| S. No. | CTD No. | Invoices no. against which CTD has been issued | Months in which these clearances were made against the invoice | GSTIN Nos of all the intermediate buyers and sellers through whom the goods have passed. | Value of Goods . | Central Excise duty paid on them. |
|--------|---------|------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------|-----------------------------------|
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