



# Central Board of Indirect Taxes & Customs

Department of Revenue, Ministry of Finance, Government of India


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**Circular No.542/38/2000-CX.**  
dated 25/8/2000.

**F.No.212/20/2000-CX.6**

**Government of India**

**Ministry of Finance**

**Department of Revenue**

**Central Board of Excise & Customs**

**Subject: Central Excise - New Format of RT-12 Return specified under Rules 54 and 173G of the Central Excise Rules, 1944 - Instructions Reg.**

I am directed to say that consequent upon the amendment in Central Excise Rules with effect from 1.4.2000 allowing the Central Excise assessee to pay duty on fortnightly basis instead of payments consignment-wise, it became essential to review the format of Returns being submitted by assessee. Notification No. 48/2000-CX (NT) dated 18<sup>th</sup> August, 2000 has since been issued whereby new RT-12 Form has been prescribed, in place of the existing RT-3/RT-3 (modified) and RT-12 Forms. Rule 57AB has also been amended to clearly indicate the manner of utilization of Cenvat credit while discharging duty liability on fortnightly basis (or monthly basis in case of Small Scale Industries).

2. It may be noticed that no basic changes have been made in the said Return which may cast any significant additional burden on the assessee, while making certain modifications in the proforma. As duties required to be paid on individual consignments need not be paid at the time of removal from the factory or approved place of storage, and sum total of this duty liability can be discharged on fortnightly basis in respect of clearances for a fortnight, certain details for removals for each fortnight, duties payable and the manner in which the actual duty payments are effected by the assessee, the interest payment - if any, where duties paid beyond permitted dates etc., have been incorporated.

3. It is mentioned that under the provisions relating to payment of duties on fortnightly basis, the assessee discharges the duty liability as calculated on the clearances effected during a first fortnight by 20<sup>th</sup> day of the month, while for the clearances effected in the second fortnight the total duty liability has to be discharged by 5<sup>th</sup> of the following month. Certain doubts were raised about the utilisation of the Credit from CENVAT Credit Account of the assessee for such duty payments. It has been decided to make it clear, by amending the Rule 57AB that for the payment of duty made for a fortnight's clearances, the credit available for offsetting cannot extend to inputs/capital goods received beyond the fortnight. In other words, even though, the duty for the first fortnight is payable by the 20<sup>th</sup>, the CENVAT Credit can be utilised only from the balance as exists on the 15<sup>th</sup> day of the month and not as on 20<sup>th</sup>. Similarly, though the duty liability for the second fortnight can be discharged by fifth of the following month, payment of duty from the CENVAT Credit Account maintained by the assessee cannot exceed the balance at the last day of the month.

### Example:

*The total duty payable for the first fortnight clearances comes to Rs.1000. The CENVAT Credit (relating to input and capital goods taken together) available on the 15<sup>th</sup> day is Rs.500/-. The Credit availed on inputs and capital goods received during the 16<sup>th</sup> day to 20<sup>th</sup> day, is Rs.200/-. The closing balance of CENVAT Credit available on 20<sup>th</sup> (the day he is discharging his duty liability) is Rs.700/-. However, he can use CENVAT Credit only to the extent of Rs.500/-, the Credit which was available on the 15<sup>th</sup> day of the month, for discharging the duty liability for the first fortnight.*

**Same principle will apply to the payment of duty for the second fortnight.**

4. In regard to the Small Scale Sector, the duty liability is to be discharged on a monthly basis. Though, this payment can be done upto 15<sup>th</sup> day of the following month, similar to the other assessee paying duty on fortnightly basis, the payment from the CENVAT Credit account will be permissible only for the opening balance available, if any, and the Credit accruing for the inputs/capital goods received during the month. In other words, Credit accruing from the first day of the following month till the fifteenth day of that month shall not be used, though duty payment facility is available upto 15<sup>th</sup> of the following month.

### Example:

*The total duty payable for a month's clearances effected by an SSI unit comes to Rs.1000. The opening balance of CENVAT Credit (relating to input and capital goods taken together) at the beginning of the month is Rs.400/-. The credit on inputs and capital goods received during the month is Rs.400/-. The Credit in the following month on inputs/capital goods received upto 15<sup>th</sup> (of the following month) say is Rs.200/-. He can use CENVAT Credit only to the extent of Rs.400/-+Rs.400/- i.e. the credit balance available at the end of the month, for discharge of duty liability for the month and not Rs.1000/-. even though, duty may be paid on 15<sup>th</sup> of following month.*

5. It may be noted that the new RT-12 form does not incorporate any summary of CENVAT Credit account/PLA account (i.e. O.B. fresh Credit/Deposit, Utilisation & CB). Only details of total payments of duty, interest for the month's clearances and other miscellaneous payment and modes of payments are to be indicated at the end under Heading 9 & 10.

6. The assessee in view of the Notification No. 36/2000-Central Excise (N.T.) dated 28.04.2000 is required to furnish a detailed statement of the total credit of all the inputs/capital goods received during the month. This statement also gives a summary at the end of the month. The assessee should be asked to give the total of credit availed for all the receipts in the first fortnight, and the total credit availed for receipts in the second fortnight also while submitting this statement, apart from giving opening balance, total credit availed (on all imports/capital goods received during the month) as a whole etc. in the summary appended at the end of the statement. This will make it possible for our officers as also the assessee to know the total credit availability at the beginning of the month on the 15<sup>th</sup> day of the month and at the end of the month, this will also facilitate checking while scrutinising RT-12 Return and related documents (e.g. PLA Extract, Return under Notification No. 36/2000-Central Excise (N.T.) etc.), whether the duties payable have been discharged correctly, or there is any overdrawal and inadmissible CENVAT Credit that has been used for discharging the duty liability which should have been otherwise paid through PLA account etc.

7. The assessee would continue to submit alongwith the RT-12 Return for the month, copies of the PLA and relevant TR6 challans etc. The PLA Extracts will give details of all the credits made through TR6 challans during the month and upto the 5<sup>th</sup> of the following month - upto which the duty liability can be discharged for the month. A summary could also be put at the end of the PLA Extracts indicating the following:

- (a) opening balance, after discharging the duty liability for the second fortnight of the previous month;
- (b) the credits made during the month; and upto the 5<sup>th</sup> of the following month;
- (c) total duty discharged through PLA for the first fortnight;
- (d) total duty discharged through PLA for the second fortnight; and
- (e) closing balance in the PLA after discharging the second fortnight duty liability.

The units in the SSI sector could suitably modify this summary, as they are required to pay duty on monthly basis.

8. The instructions in the form of "NOTES" given at the end of RT-12 return elaborate further the manner in which it should be compiled and the information furnished to the Department. The following are worth special notice in this regard:-

(a) The RT-12 Return as notified now is to be used for purposes of both Rules 54 and 173G. The erstwhile forms RT-3 & RT-3 (modified) have been omitted and Form RT-12 has been prescribed for the purposes of Rule 54 also.

(b) The same form is to be used by Organised Sector as well as SSI units given facility of monthly payments - the later have to give details for a three months (under Item 5, 6 & 7) for the quarter for which return is filed.

(c) Notes 2 and 3 to the RT-12 Return need to be carefully noted and explained to the assessee, if necessary. It has been considered necessary to continue to seek separate details of clearances and duty actually paid if more than one commercially different commodity manufactured by a factory falling under same sub-Heading or separate sub-Heading. Thus, *for example*, separate data for HSD, Kerosene should continue to be given even though they fall under same sub-Heading 2710.90 or chargeable to same rate of duty. Further, for products/group of products having separate classification or rate of duty information on separate times must be given for each such products/group of products.

(d) Though, duties are not being paid now on individual consignments through CENVAT Account or PLA, the intention is to continue to get data of production and clearances and also the duty payments discharged through PLA/CENVAT accounts separately for different product groups chargeable to different rates of duties or falling under different sub-Headings as was furnished hitherto. Thus, for products/group of products having separate classification or rates of duties, separate entries must be given for items 4,5,5A,6A,7A and item No. 8. As mentioned in the note 3 - the total duty payable for any product/group of products for which details are given for the fortnightly/monthly clearances, will be based upon the sum total of duty liability indicated in the invoices for the clearances effected (where duty is payable), the total duty payment will be consolidated adjustment through account current and CENVAT Credit account, as may be decided by the assessee.

(e) Wherever, the duties are not paid within the stipulated period, the interest liability will have to be worked out and indicated in the return, the calculation sheet by the assessee should also be attached with the return to facilitate the checking by the range staff whether the proper amount of interest, if leviable, has been paid or not.

9. Please give wide publicity to the new RT-12 proforma and the provisions of the new returns for benefit of trade and industry. Doubts/difficulties noticed, if any, in the implementation of the new proforma/provisions may please be brought to the notice of the Board immediately.



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