

**Agenda Note for amendments to draft Goods and Services Tax (Compensation to the States) Bill, 2016.**

The GST Council in its 10<sup>th</sup> Meeting held on 18 February 2017 at Udaipur had approved the draft Goods and Services Tax (Compensation to the States) Bill, 2017. Thereafter, the GST Council in its 11<sup>th</sup> Meeting held on 4 March 2017 recommended the draft Central Goods and Services Tax Bill and Integrated Goods and Services Tax Bill.

2. In light of the final draft of Central Goods and Services Tax Bill and Integrated Goods and Services Tax Bill recommended by the GST Council and for incorporating decisions of GST Council, certain consequential changes have been incorporated in the draft Goods and Services Tax (Compensation to the States) Bill, 2017. Further to provide for ceiling of rate for imposition of cess on supply of goods and services, changes have been made in Section 8 of the draft Bill.

3. The Council may consider and approve the amendments in draft Goods and Services Tax (Compensation to the States) Bill, 2017.

2(1) “State” shall include –

- (i) for the purposes of sections 3, 4, 5, 6 and 7, the States as defined under the Central Goods and Services Tax Act ~~and the Union territories with Legislature mentioned in the First Schedule to the Constitution~~; and
- (ii) for the purposes of sections 8, 9, 10, ~~and 11~~, 12, 13 and 14 the States as defined under the Central Goods and Services Tax Act, and Union territories defined under the Union Territories Goods and Services Tax Act;

#### 7. CALCULATION AND RELEASE OF COMPENSATION.

(3)(b) the actual revenue collected by a State in any financial year during the transition period would be the actual revenue from State tax collected by the State and net of refunds given by the said State under Chapters XI and XX~~VII~~ of the State Goods and Services Tax Act, the integrated goods and services tax apportioned to that State, and any collection of taxes on account of the taxes levied by the respective State under the Acts specified in sub-section (4) of section 5, net of refunds of such taxes, as certified by the Comptroller and Auditor General of India;

the actual revenue collected by a State till the end of relevant two months period in any financial year during the transition period would be the actual revenue from State tax collected by the State, net of refunds given by the State under Chapters XI and XX~~VII~~ of the State Goods and Services Tax Act, the integrated goods and services tax apportioned to that State, as certified by the Principal Chief Controller of Accounts of the Central Board of Excise and Customs, and any collection of taxes on account of the taxes levied by the respective State under the Acts specified in sub-section (4) of section 5, net of refunds of such taxes;

#### 8. LEVY AND COLLECTION OF CESS.

- (1) There shall be levied a cess on such intra-State supplies of goods or services or both, as provided for in section 97 of the Central Goods and Services Tax Act, and such inter-State supplies of goods or services or both as provided for in section 5 of the Integrated Goods and Services Tax Act, and collected in such manner as may be prescribed, on the recommendations of the Council, for the purposes of providing compensation to the States for loss of revenue arising on account of implementation of the goods and services tax with effect from the date from which the provisions of Central Goods and Services Tax Act is brought into force, for a period of five years or for such period as may be prescribed on the recommendation of the Council:

Provided that no such cess shall be leviable on supplies made by a taxable person who has decided to opt for composition levy under section ~~108~~ of the Central Goods and Services Tax Act.

- (2) The cess shall be levied on such supplies of goods or services as are specified in column (2) of the Schedule to this Act, on the basis of value, quantity or on such basis as may be recommended by the Council, at such rate not exceeding the rate set forth in the corresponding entry in column (4) of the Schedule—per cent as may be notified by as the Central Government may by notification in the Official Gazette specify:

Provided that where the cess is chargeable on any supply of goods or services or both with reference to their value, for each such supply the value shall be determined under section 15 of the Central Goods and Services Tax Act for all intra-State and inter-State supply of goods or services or both:

Provided further that the cess on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962, on a value determined under the Customs Tariff Act, 1975.

#### 10. CREDITING PROCEEDS OF CESS TO FUND.

The proceeds of the cess leviable under section 8 and such other ~~revenues-amounts~~ as may be recommended by the Council, shall be credited to a non-lapsable Fund known as the Goods and Services Tax Compensation Fund, which shall form part of the public account of India and shall be utilized for purposes specified in the said section

## THE SCHEDULE

### Notes

1. In this Schedule, reference to a “tariff item”, “heading”, “sub-heading” and “Chapter”, wherever they occur, shall mean respectively a tariff item, heading, sub-heading and Chapter in the First Schedule to the Customs Tariff Act, 1975 (Act No.51 of 1975)
2. The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (Act No.51 of 1975), the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this Schedule.

<b>S. No.</b>	<b>Description of supply</b>	<b>Tariff item, heading, sub- heading, Chapter, of goods or service, as the case may be</b>	<b>The maximum rate at which GST Compensation Cess may be collected</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1.	Pan Masala	2106 90 20	135% ad valorem
2.	Tobacco and manufactured tobacco substitutes, including tobacco products	24	Rs.4170 per thousand sticks or 290% ad valorem or a combination thereof
3.	Coal; briquettes, ovoids and similar solid fuels manufactured from coal; Lignite, whether or not agglomerated, excluding jet; Peat (including peat litter), whether or not agglomerated	2701, 2702 or 2703	Rs.400 per tonne
4.	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	2202 10	15% ad valorem
5.	Motor cars and other motor vehicles principally designed for the transport of persons (other than motor vehicles for the transport of ten or more persons, including the driver), including station wagons and racing cars	8703	15% ad valorem
6.	All other supplies		15% ad valorem

**Additional Agenda Item: Constitution of a Task Force to suggest measures for creating an eco-system for seamless freight movement (Based on agenda note received from MoRTH)**

1. Road transport sector is responsible for about 65% of the total freight volume. The contribution of road transport sector to the GDP is estimated at 4.8% (2011-12). The sector suffers from archaic rules and arbitrary exercise of powers by enforcement authorities. These checks take place at state borders as well as on road at random. Despite improvement in road conditions the average mileage of vehicles has remained almost stagnant over the years due to long stoppages. According to a study conducted by IIM, Calcutta, the estimated loss to the economy on account of these delays is estimated at 6.6 USD Billion. There is an additional cost due to additional fuel consumption also.

2. In depth analysis of the problems at border check posts has revealed that the delays are mainly caused due to physical checking/ documentation requirement by Commercial Tax and Transport Department of the States.

3. The difference in processes adopted and the infrastructure present at different States leads to a huge variation in the time taken to cross inter-state border check posts. For instance, some states such as Maharashtra, Rajasthan and Haryana have removed physical check posts on key freight routes and have adopted risk based verification through flying squads, resulting in negligible time loss at the interstate border check posts in these states.

4. In most of the check posts, while 100% of the vehicles are verified, the number of vehicles detained with non-compliant documentation is less than 1% as seen in a study instituted by the Ministry of Road Transport and Highways (MoRTH). This highlights the case for shifting to a risk based verification process.

5. Such random as well regular checks reduce the efficiency of road transport considerably. According to a study conducted by AT Kearney, the average waiting time for the trucks for documentation checks is to the extent of 10% of the total driving time. There are 20 agencies of the State and Central Governments who have powers to inspect and check the goods transport vehicles plying on road. They are listed as under-

- a. R.T.O of All States enroute.
- b. VAT Officials of All States enroute.
- c. Custom Officials.
- d. Police Officials of All States enroute.
- e. Central Excise Officials.
- f. Income tax department
- g. Food Safety Authority Under FSSAI.
- h. Octroi Officials of States.
- i. Pollution Control Authority
- j. Weight and Measures Authority

- k. Forest Department Officials
- l. State Excise Officials.
- m. Department of Revenue Intelligence.
- n. Toll Gates for Collection NH/STATES & Municipal Corporations
- o. Tax collections in Cantonment areas
- p. Entry Tax Collection in Some States.
- q. District Supply Office Check Post
- r. Movement of Essential Commodities.
- s. Checking for Black Marketing.
- t. Checking for Hazardous Chemicals

6. The waiting time at toll plazas also leads to considerable delays. The issue of toll is being addressed to by roll out of RFID based **fastag** system for e-tolling. This would soon be able to put an end to the waiting time at toll plazas.

7. The e-way bill proposed under GST regime will facilitate seamless transport from commercial tax department's point of view. However, the transport documentation checks, if continued, will not yield desired results for achieving seamless and barrier free freight transport across the country. There is a possibility of utilizing 'Vahan' database of MoRTH and use its vehicle registration number database for generating e-way bills by GSTN. Further, The RFID tags installed on the vehicles can be utilized for establishing identity of the vehicles. The effort will be to minimize the need for physical check and to eliminate the check posts.

8. It is therefore suggested that a Task Force of officers from Finance and Transport departments of some States and MoRTH and DOR, may be constituted to examine the issue of creating an eco-system for seamless freight movement. The Task Force's report can be considered by the GST Council. Subsequently, if required, a joint meeting of Finance Ministers and Transport Ministers of States may be called to discuss the report and adopt a formal resolution to support seamless road connectivity.

9. In view of the above, the GST Council may deliberate on the issue and consider constituting a Task Force of officers of the transport and tax departments of the Central and State governments to suggest measures to achieve the objective of seamless transport connectivity.

## **Draft Minutes of the 11<sup>th</sup> GST Council Meeting held on 4<sup>th</sup> March 2017**

The eleventh meeting of the GST Council (hereinafter referred to as ‘the Council’) was held on 4 March 2017 in Vigyan Bhavan, New Delhi under the Chairpersonship of the Hon’ble Union Finance Minister, Shri Arun Jaitley. The list of the Hon’ble Members of the Council who attended the meeting is at **Annexure 1**. The list of officers of the Centre, the States, the GST Council and the Goods and Services Tax Network (GSTN) who attended the meeting is at **Annexure 2**.

2. The following agenda items were listed for discussion in the eleventh meeting of the Council –

1. Confirmation of the Minutes of the 10<sup>th</sup> GST Council Meeting held on 18 February 2017
2. Approval of the Draft Central Goods and Services Tax (CGST) Law as modified in accordance with the decisions of the GST Council and as vetted by the Ministry of Law & Justice, Government of India
3. Approval of the Draft Integrated Goods and Services Tax (IGST) Law as modified in accordance with the decisions of the GST Council and as vetted by the Ministry of Law & Justice, Government of India
4. Development of an e-Waybill System by Goods and Services Tax Network (GSTN)
5. Date of the next meeting of the GST Council
6. Any other agenda item with the permission of the Chairperson

3. In his opening remarks, the Hon’ble Chairperson welcomed all the Members of the Council and thereafter invited discussion on the listed agenda items.

### **Discussion on Agenda Items**

#### **Agenda Item 1: Confirmation of the Minutes of the 10<sup>th</sup> GST Council Meeting held on 18 February, 2017:**

4. The Hon’ble Chairperson invited comments of the Members on the draft Minutes of the 10<sup>th</sup> Meeting of the Council (hereinafter called the ‘Minutes’) held on 18 February 2017 before its confirmation. The Members suggested the following amendments to the draft Minutes.

4.1. The Hon'ble Minister from West Bengal stated that in paragraph 4.1.1, the word 'above' in the second sentence of his recorded version should be replaced by the word 'below'. The Council agreed to this suggestion.

4.2. The Hon'ble Minister from West Bengal highlighted that four issues recorded in the Minutes, had to be brought back to the Council for decision, namely: (i) carve out of export and import functions exclusively for the Central administration (recorded in paragraph 4.19 of the Minutes); (ii) to deem supplies to territorial waters as intra-State supply (recorded in paragraph 4.21 of the Minutes); (iii) to allow the benefit of the Composition scheme to restaurants, which was a supply of service (recorded in paragraph 8.4.3 of the Minutes); (iv) to examine the provision in Model GST Law for matching annual GST return of the taxpayer with his annual financial statement (recorded in paragraph 9.2.2 of the Minutes). The Secretary to the Council (hereinafter referred to as 'Secretary') responded to each of the above issues. He stated that in respect of issue raised at (i) above, as the Law Committee of Officers (hereinafter referred to as 'the Law Committee') was pre-occupied in completing the drafting and correction of the CGST and IGST Law, it could not deliberate on this subject and that the issue would be brought before the Council after the Law Committee's deliberation. On the issue raised at (ii) above, he stated that Section 9 of the IGST Law contained a formulation on the lines suggested by the Hon'ble Minister from Karnataka and that this addressed all the concerns of the coastal States. On the point raised at (iii) above, he informed that the Law Committee had incorporated a suitable formulation in Section 10(1) of the CGST Law. On the point raised at (iv) above, he stated that, if needed, this issue would be addressed in the relevant GST Rules.

4.3. The Hon'ble Chief Minister of Puducherry stated that in the last Council meeting, the Hon'ble Minister from Karnataka had referred to supply of goods by restaurants. He observed that while a restaurant only supplied food, another connected feature was hotels offering accommodation and giving restaurant service. The Secretary stated that restaurants with annual turnover upto Rs. 20 lakh would be exempt from GST, while those with annual turnover between Rs. 20 lakh and Rs. 50 lakh would be covered under the Composition scheme. He added that hotels providing accommodation and restaurant service would normally have an annual turnover of more than Rs. 50 lakh and would thus pay GST at the normal rate. The Hon'ble Chief Minister of Puducherry stated that presently in his Union Territory, restaurants were charged to tax at the rate of 2% and observed that the proposed tax rate of 5% was on the higher side.



4.4. Shri P. Mara Pandiyan, Additional Chief Secretary (Taxes), Kerala stated that in paragraph 9.2.2. of the Minutes, the Hon'ble Minister of Kerala had raised the issue of having a legal provision for matching the annual GST return of a taxpayer with his annual Income Tax return. The Secretary stated that such provision of matching could not be part of the law as it would go against the provision of Section 138 of the Income Tax Act which prohibited the Income Tax department to share income tax return of a person with anyone else. The Hon'ble Chairperson added that sharing a person's Income Tax return with anyone else was a prosecutable offence under Section 138 of the Income Tax Act. The Secretary observed that keeping in view such sensitivity, it was decided that annual financial statement could be used for matching as this also contained the declaration of a person's income. The Hon'ble Minister from West Bengal stated that his State had recently amended the VAT Law and it now provided that the audit report prepared under the Income Tax law would be sufficient compliance for the audit report required under the VAT Law. The Council agreed not to change the decision recorded in paragraph 9.2.2. of the Minutes.

4.5. The Hon'ble Minister from Uttar Pradesh pointed out that in paragraph 10.1.1. (iv) of the Minutes, it was recorded that retired officers shall be eligible for appointment as Technical Member (State) in Appellate Tribunal whereas as per their understanding, the same provision would also apply for the appointment of Technical Member (Centre). He suggested that the decision recorded in this paragraph should be amended to read as follows: "Retired officers shall be eligible for appointment as Technical Member (State) as well as Technical Member (Centre) in the Appellate Tribunal." The Council agreed to this suggestion.

5. In view of the above discussion, for **Agenda item 1**, the Council decided to adopt the Minutes of the 10<sup>th</sup> Meeting of the Council with the changes as recorded below:

5.1. In paragraph 4.1.1 of the Minutes, to replace the word 'above' with the word 'below' in the second sentence recording the version of the Hon'ble Minister from West Bengal.

5.2. To replace the decision recorded in paragraph 10.1.1.(iv) of the Minutes, with the following: 'Retired officers shall be eligible for appointment as Technical Member (State) as well as Technical Member (Centre) in the Appellate Tribunal'.

**Agenda Item 2: Approval of the Draft CGST Law as modified in accordance with the decisions of the GST Council and as vetted by the Ministry of Law & Justice, Government of India:**

6. Introducing this agenda item, the Secretary informed that the draft CGST Law was discussed in a meeting with officers from the Centre and the State convened by him on 3 March 2017 and that as per inputs received in the meeting, ten more amendments were incorporated in the draft CGST Law and hard copies of the same were circulated to the Members before the meeting. He requested that the Members might also offer comments on these suggested amendments while discussing the draft CGST Law circulated as an agenda note for this meeting.

6.1. The ten amendments circulated during the meeting of the Council on 4 March 2017 are listed below (the changes are indicated in bold and italics and in strikethrough mode):

**i. Issue No. 1**

Section 2 – ~~(a)~~ **(81)** “other territory” includes territories other than those comprising in a State and those referred to in sub-clauses (a) to (e) of clause **(114)** of section 2;

*Note: Clauses (81) to (119) to be consequently renumbered and other consequential changes (referencing) to be carried.*

**ii. Issue No. 2**

Section 109(10) – In the absence of a Member in any Bench due to vacancy or otherwise, any appeal may, with the approval of the President or, as the case may be, the State President, be heard by a Bench of two Members:

*Provided that any appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined in any order appealed against, does not exceed five hundred thousand rupees and which does not involve any question of law may, with the approval of the President and subject to such conditions as may be prescribed on the recommendations of the Council, be heard by a bench consisting of a single Member.*

**iii. Issue No. 3**

Section **110**(11) - The Technical Member (Centre) or Technical Member (State) of the Appellate Tribunal *shall hold office for a term of five years from the date on which he enters upon his office, or until he attains the age of sixty-five years, whichever is earlier and shall be eligible for re-appointment.*

**iv. Issue No. 4**

Section 118(1) - An appeal shall lie to the Supreme Court-

(a) from any order passed by the National Bench ~~and~~ or Regional Benches of the Appellate Tribunal; or

**v. Issue No. 5**

Section 129(1) – (c) upon furnishing a security *equivalent to the amount payable under clause (a) or clause (b) in such form and manner as may be prescribed* ~~in such form as may be prescribed equivalent to the amount payable under clause (a) or clause (b):~~

**vi. Issue No. 6**

Section 67(2) – Provided that where it is not practicable to seize any such goods, the proper officer, *or any officer authorized by him*, may serve on the owner or the custodian of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer:

**vii. Issue No. 7**

Section 67(9) – Where any goods, being goods specified under sub-section (8), have been seized by a proper officer, *or any officer authorized by him*, under sub-section (2), he shall prepare an inventory of such goods in the manner as may be prescribed.

**viii. Issue No. 8**

Section 168 – *Explanation.*— For the purposes of this section, the Commissioner specified in sub-section (90) of section 2, sub-section (3) of section 5, clause (b) of sub-section (9) of section 25, sub-section (1) of section 37, sub-section (2) of section 38, sub-section (6) of section 39, sub-section (1) of section 151, and section 167 shall mean a Commissioner or Joint Secretary posted in the Board and such Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board.

**ix. Issue No. 9**

**Schedule I:**

2. Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business:

Provided that gifts not exceeding fifty thousand rupees in value in a *financial* year by an employer to an employee shall not be treated as supply of goods or services.

**Schedule III:**

~~4. Services by a foreign diplomatic mission located in India or any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947.~~

(To be handled through notification)

x. Issue No. 10 –

**Section 19 – Tax wrongfully collected and paid to Central Government or State Government.**

(1) A registered person who has paid integrated tax on a supply considered by him to be an inter-state supply, but which is subsequently *held found* to be an intra-State supply, shall, be granted refund of the amount of integrated tax so paid in such manner and subject to such conditions as may be prescribed.

6.2. Shri Upender Gupta, Commissioner (GST Policy Wing), Central Board of Excise & Customs (CBEC) broadly explained the changes made in the CGST Law between the draft of 26 November 2016 (which was the most recent version of the Draft Laws put in public domain) and the draft of 1 March 2017 presented as an Agenda Note for the 11<sup>th</sup> Meeting of the Council. These broad changes are recorded in **Annexure 3** and were circulated to the Council members during the meeting.

6.2.1. On the issue of change in the legal scheme of Advance Ruling Authority, i.e. to be constituted under the State Act instead of the earlier scheme of being constituted under the Central Act, the Hon'ble Chairperson enquired as to how the State Laws would ensure uniformity across the States. The Hon'ble Minister from Karnataka stated that the Advance Ruling Authority gave its Ruling on case-by-case basis and it would not apply across the State boundaries. He suggested that the power to give Advance Ruling should be kept at officer's level. The Chairperson observed that there might be some need for conformity and uniformity of Rulings and that in case of any conflict, the Court could resolve it.

6.2.2. The Hon'ble Minister from Uttar Pradesh stated that it was patently unfair to charge interest at the rate of 18% and 24% from the taxpayer for late payment of tax under Section 50 of the draft CGST Law but the Government was required to pay interest only at the rate of 6% for delayed refund under Section 56 of the draft CGST Law. He observed that for late payment of refund, there should be a higher interest liability on the Government at par with what the taxpayer was liable to pay. The Hon'ble Chairperson cautioned that the Government's liability for interest payment should not be too high. The Secretary informed that even at the current rate of 6%, the Government's liability to pay interest for late refund of Income Tax during the last financial year was Rs. 7,000

crore and added that a cautious approach was required with regard to the Government's interest liability. The Hon'ble Minister from Uttar Pradesh observed that this additional burden of Rs. 7,000 crore on the Government was due to its own laxity and by giving refund more promptly, the Government could save Rs. 7,000 core. The Hon'ble Chairperson observed that in the Income Tax Department, the entire tax administration had become online and refunds were being processed much faster and that the smaller amounts of refund were paid online whereas the larger amounts were paid by cheque and sent by post under intimation to the assessee. He observed that despite such improvement, it should be kept in mind that there could be delays due to Governmental procedure and that a higher rate of interest for delayed refund would cause considerable financial burden on the finances of the States as well.

6.2.3. The Hon'ble Minister from West Bengal stated that in his State, 90% of the self-declared refund claim was given automatically and only 10% was held back for checking for any violation. He informed that his State gave interest at the rate of 6.5% for delayed refund and added that the Council could deliberate further on this issue. The Hon'ble Minister from Uttar Pradesh suggested that if refund was not paid within 3 to 4 months of filling the claim, a higher rate of interest should be paid by the Government. The Commissioner (GST Policy Wing), CBEC informed that the clause of interest payment for delayed refund applied when the refund was paid beyond a period of 60 days from the date of filling the application whereas a taxpayer was required to pay interest only after 90 days of confirmation of the tax demand by the assessing officer. He also informed that the rate of interest paid by the Government was linked to its cost of borrowing which was around 6%. Shri Ritvik Pandey, CCT, Karnataka stated that the interest was also payable for refund of pre-deposit paid at the appellate stage. CCT, Gujarat observed that the taxpayer would have collected the amount equivalent to the tax from the buyer and therefore, he was not entitled to keep this amount. He cautioned that for taxpayers, fixing an interest rate below the prevailing bank rate, would lead to indiscipline.

6.2.4. The Hon'ble Chief Minister of Puducherry stated that the Government machinery should be given a better leverage in regard to payment of interest and that 6% rate of interest was reasonable. The Hon'ble Chairperson stated that sometimes a State Government might not be able to pay refund to a taxpayer due to certain public interest considerations like drought in the State but the considerations of a taxpayer would be different. The Hon'ble Minister from Uttar Pradesh responded that the taxpayer might also fail to pay tax due to certain unforeseen circumstances like an illness in the family or a fire in his godown and that taxpayers facing such difficulty deserved to

be given some concession. The Hon'ble Deputy Chief Minister of Delhi supported the view of the Hon'ble Minister from Uttar Pradesh. The Hon'ble Minister from West Bengal observed that the optimal level of interest rate should be 18% and that an interest rate of 24% was too high.

6.2.5. The Hon'ble Minister from Uttar Pradesh stated that it was desirable to maintain parity in the rate of interest for the taxpayer and the Government. He stated that if needed, Government could be given additional time of 3 to 4 months to process the refund claim but thereafter the rate of interest for delayed refund should be the same as the rate of interest for short payment of tax. Shri Manish Kumar Sinha, Commissioner, GST Council stated that differential rate of interest for the Government and the taxpayer was not an equity issue and that the Government rate of interest was linked to the rate at which it placed its funds to the Reserve Bank of India (RBI) or borrowed funds from the RBI. He also stated that the rate of interest for refunding a pre-deposit amount after completion of the litigation process should not be very high. He added that the rate of interest for a taxpayer should be linked to the market rate of borrowing as a taxpayer would have collected from the buyer, the amount equivalent to tax which was in effect Government's money. The Hon'ble Minister from Uttar Pradesh stated that the equity issue was also very important. The Hon'ble Deputy Chief Minister of Delhi stated that a higher rate of interest for delayed refund would encourage the tax authorities to clear the refund claims early and stated that presently his Government was saddled with the burden of processing refund claims as old as 7 years. Shri Arun Goyal, Additional Secretary, GST Council pointed out that the language used in Section 50 of the draft CGST Law was to 'pay interest at such rate, not exceeding 18%' and that this gave some flexibility to the Government in fixing the actual rate of interest for delayed payment of tax.

6.2.6. The Secretary observed that payment of refund by Government could also be withheld due to a stay order given by a Court and after the judgement, the Government might be required to pay the refund with interest liability. The Hon'ble Minister from Uttar Pradesh observed that if the Supreme Court decided the case in favour of the taxpayer, it implied that the fault lay with the Government. He added that if the Government bore the implication of errors of judgement of its officers, it would make the administration more accountable. The Hon'ble Minister from Karnataka stated that one way to address this issue could be that the Government could pay a slightly higher rate of interest, say 9%, for certain categories of delayed refund which could be classified as routine delay but for refunds arising out of finalization of litigation process, the rate of interest could be kept at 6%. The Hon'ble Chairperson observed that where the Government did not refund money for 6 to 7 years due to litigation in Court, it retained and used the taxpayers' money for these years and for this, it

should be liable to pay interest at the rate at which the Government would have paid ordinarily for its borrowing, i.e. the Government of India Security (G-SEC) rate. He further stated that if the assessee had to pay a confirmed demand, he would have collected it from his customer but did not pay to the Government and this led to his unjust enrichment. He further stated that such a taxpayer would use the money which he was not supposed to keep. He explained that the conventional difference in the rate of interest to be paid by the Government and by the taxpayer was based on this presumption and the issue to be deliberated was as to what should be the difference in these two rates. The Hon'ble Minister from Karnataka supported this approach. He stated that cost for the Government should be higher for routine delay and this could be 9% and for litigation cases, the rate of refund should be 6%. He further added that the cost of late payment of tax by the assessee should be tied to the Bank borrowing rate.

6.2.7. The Hon'ble Minister from Uttar Pradesh stated that this approach appeared to be a classic case of capitalism working for the capitalists. He observed that the Government had a much higher bargaining power and it had wide resources for generating revenue including borrowing from abroad at a very low rate of interest. He stated that for a private person, the cost of borrowing funds was high as he could not borrow from abroad at a much lower rate. He stated that the Government of India could borrow from abroad at a low rate of say 1.5%, lend it to Banks at the rate of 6% which in turn would lend to the customers at a much higher rate. He stated that this was a classic case in the USA during the decades of the 1960s and the 1970s. The Hon'ble Chief Minister of Puducherry observed that a taxpayer could take money from the consumer, use it and thus enrich himself and deposit it into the Government's account after litigation of 6 to 7 years when the Court ordered him to do so. He informed that more than Rs. 100 crore was not paid by the dealers of petroleum products in his Union Territory due to litigation in the Court. The Hon'ble Minister from Telangana stated that the rate of interest for delayed refund for Government should be kept at 6% and the rate of interest for delayed payment of tax by a private person should be kept between 12% to 15%.

6.2.8. The Hon'ble Minister from Jammu and Kashmir stated that default in payment of tax was a public policy issue and it should not be mixed with the sovereign borrowing power of the Union of India. He stated that one solution to this issue could be to include a provision in the Public Service Guarantee Act that the Tax Administrations would pay refund within six months of filing an application. The Hon'ble Chairperson observed that such a requirement would then only apply to the State Governments. The Hon'ble Minister from Uttar Pradesh stated that such a requirement

could be made applicable to all the Acts. He stated that the issue was not one of sovereignty but the large differential in the interest rate to be paid by the Government and the taxpayer. The Hon'ble Chairperson observed that another way to address this issue could be to keep the rate of interest as proposed, but have a mandatory fixed period within which refund must be paid. The Secretary stated that the period for payment of refund was already prescribed in the proposed Law. He suggested that one way to address this issue could be to provide that if the refund was not given within a certain period of the passing of an adjudication or appellate order where the order had acquired finality, the rate of interest for delayed refund would be 9% and in other cases of refund, where interest was payable, it should be paid at the rate of 6%. The Hon'ble Minister from Uttar Pradesh suggested that the rate should be more than 9%. The Hon'ble Chairperson cautioned against keeping the rate of interest too high. The Council agreed to the suggestion of the Secretary.

6.3. Shri Tuhin Kanta Pandey, Principal Secretary (Finance), Odisha stated that in Section 54(12), the reference to Section 50 was erroneous and that it should be Section 56. The Council agreed to this suggestion. The Hon'ble Chairperson stated that the Law Committee should be authorised to make minor corrections and rectify typographical errors in the draft CGST and IGST Law after the Council had approved it. The Council agreed to this suggestion.

6.4. The Hon'ble Minister from West Bengal raised a question whether the rate of tax on restaurants under the Composition scheme was 5% each under the CGST and the SGST Act. Shri P.K. Mohanty, Consultant (GST), CBEC informed that the proposed rate of 5% was the sum total of the tax to be levied under the CGST and the SGST Acts and consequently, the rate of tax under each Act was 2.5%. The Secretary observed that restaurants with turnover of more than Rs. 50 lakh would be subject to the normal rate of tax applicable for supply of services.

6.5.1. The Hon'ble Minister from Telangana stated that in Section 6, cross-empowerment should be part of the Act instead of implementing it through a notification. The Hon'ble Minister from Uttar Pradesh supported this suggestion. The Secretary stated that the situations of cross-empowerment would be dynamic in nature and to have flexibility, it need not be put in the Law. He added that the Council had already taken a decision regarding the distribution of taxpayers between the Central and the State administration and that this need not be put in the Law. The Hon'ble Chairperson observed that the ambit of Section 6 would be in accordance with the Council's decision and that the content of notification would be as decided by the Council. He added that the Government was to only issue such a notification and not determine its content, which would be determined by the Council. He



added that the power to vary the content of the notification should rest with the Council. The Hon'ble Minister from West Bengal observed that the complexion of the Council could change in due course and, therefore, suggested that the following formulation should be incorporated as part of Section 6 of the CGST Act: 'Without prejudice to the provisions of this Act, officers appointed under the State Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as may be notified by Government on the recommendations of the Council.' The Hon'ble Chairperson stated that the present formulation in Section 6 of the draft CGST Act also conveyed the same meaning.

6.5.2. The Hon'ble Minister from Karnataka stated that the issue of cross-empowerment was different from dividing the taxpayer base in the ratio of 90% and 10%. He stated that while the numerical distribution rested with the Council, a provision for cross-empowerment under the GST regime must be put in the Law, as otherwise there would be severe difficulties in implementing GST. The Hon'ble Chairperson stated that in pith and substance, the existing draft was identical to the one suggested by the Hon'ble Minister from West Bengal and that the only difference was that the second clause had been made the first clause and the first clause had been made the second clause. He summed up with the observation that there shall be cross-empowerment under the Law and that its extent would be decided from time to time.

6.5.3. The Hon'ble Minister from Tamil Nadu observed that if cross-empowerment was vested on SGST officers through notification, then there was a chance that the decision already taken on dual control might be subject to frequent alterations. He, therefore, suggested that the notification route should be avoided and that, instead, it might be done through Rules made under the relevant Law. He suggested the following revised formulation for Section 6 of the draft CGST Law: 'Without prejudice to the provisions of this Act, the Government shall, on the recommendations of the Council, and subject to such conditions as may be prescribed and specified under rules framed under this Act, authorize officers appointed under the State Goods and Services Tax Act to be the proper officers for the purposes of this Act and for this purpose the State officers may exercise all or any of the powers they have under the State Goods and Service Tax Act.' The Hon'ble Chairperson suggested that the Law Committee could reformulate the existing text of Section 6 of the draft CGST Act taking into account the suggestions of the Hon'ble Minister from West Bengal. The Council agreed to the suggestion.

6.5.4. The Hon'ble Minister from Karnataka recalled that in the 8<sup>th</sup> Meeting of the Council (held on 3-4 January 2017), he had observed that cross-empowerment was premised on the concept of pooled sovereignty of the Centre and the States and that if an officer of CBEC issued an order under the SGST Act, the States were also bound by it. He observed that it was essential that if a CGST officer passed an order, he must also pass an order under the SGST Act. He emphasised that it must be ensured that two orders were not passed by two authorities on the same issue and that this could be achieved by incorporating this idea in the Act rather than in the Rules or in a notification. He observed that this would give comfort to taxpayers. The Secretary observed that this formulation could be put in the relevant GST Rule. The Hon'ble Minister from Karnataka stated that it should be put in the Law and gave the following formulation for the same: 'Without prejudice to the provisions of this Act, officers appointed under the State Goods and Services Tax Act shall be authorised to be the proper officers for the purposes of this Act subject to such conditions as may be notified by the Government on the recommendations of the Council.' He further stated that under the cross-empowerment framework, it was essential that officer of only one government acted on an issue and on his doing so, officers of the other government should be precluded from taking any action. He stated that while this could be put in the Rules/notification, putting it in the Act would send a signal to trade and industry that the issue of dual control had been addressed. He suggested to add the following provision in the law: 'Subject to the restrictions as notified under sub-section (1), where any proceedings on an issue has been initiated by the proper officer under the State Goods and Services Act, no action shall be initiated under this Act with respect to that issue. He further stated that the law should clearly lay down that where an officer was issuing an order under one Act, he should pass the corresponding order under the other Act as well. He suggested to add the following provision in the law: 'Subject to the restrictions as notified under sub-section (1), where proper officer has issued an order under this Act, he shall issue the corresponding order under the State Goods and Services Act as a part of his order under this Act.'

6.5.5. The Commissioner (GST Policy Wing), CBEC stated that the formulation suggested by the Hon'ble Minister from Karnataka was broadly the same as the original text in Section 7 the Model GST Law put in public domain in November, 2016. He informed that this provision was removed on the advice of the Union Law Ministry. He stated that the Law Ministry had explained that the CGST Law should not contain what was to be done under another law and that the phrase 'on the recommendations of the Council' was added to ensure that the provisions would be uniform in all the relevant laws. The CCT, Karnataka stated that the present formulation under Section 6 of the

CGST Act only empowered the officers under the SGST Act to exercise the powers under the CGST Act but did not provide an assurance that on a dispute, only one officer would pass one order under both the Acts. He stated that it was very important for the public perception to assure that multiple orders would not be passed by two different authorities on the same dispute. The Hon'ble Chairperson stated that there should be an express or implied bar of the nature suggested above to ensure that the taxpayer did not have to go to multiple officers for the same dispute. He observed that if a CGST officer passed an order which also included the tax under the SGST Act, the SGST officer should not claim that there was no bar on him to pass an order under the SGST Act and that absence of such an understanding could lead to a chaotic situation.

6.5.6. The CCT, Gujarat stated that a similar provision was also required in respect of appeal provisions. The Hon'ble Chairperson observed that an order passed under one Act covering demand of duty under both the Acts could not be deemed to be an order under two different Acts and that no two appeals could be filed to the Appellate authority in respect of such an order. He added that if CGST appellate authority heard an appeal against an order covering demands under both CGST and SGST Acts, there should be a bar in the law for the SGST appellate authority to hear the same appeal. The Hon'ble Minister from Uttar Pradesh stated that the same principle should also apply for refund of taxes. The Secretary stated that the Law Committee should prepare a formulation giving effect to the understanding that that SGST officers shall be cross-empowered under the CGST Act in the Act itself and that only one order shall be passed for one dispute involving taxes under both the CGST and the SGST Act and that if a CGST officer passed an order, which also included demand for tax under the SGST Act, the SGST officer shall be barred from passing order on the same dispute. The Council agreed to this suggestion.

6.6. The Principal Secretary (Finance), Odisha raised a question in relation to Section 60(5) of the draft CGST Act as to whether an assessee would need to file an application to get refund or whether he would get refund automatically. He stated that Value Added Tax (VAT) Laws of several States had a provision to grant refund automatically. CCT, Gujarat stated that an application would be required for claiming refund and that such a provision would be incorporated in the relevant GST Rules.

6.7. The Hon'ble Chief Minister of Puducherry stated that in Section 16(4) of the draft CGST Law, the entitlement to take input tax credit was restricted upto the month of September following the end of the financial year to which an invoice belonged but this period was getting extended as the

entitlement was also linked to the relevant annual return. CCT, Karnataka clarified that the entitlement to take input tax credit on an invoice of a particular year was limited to the month of September of the next financial year but the cut-off month would be earlier, if the taxpayer filed his earlier to the month of September of the next financial year.

6.8. Dr. Ravi Kota, Finance Commissioner, Assam pointed out that the scope of the expression ‘works contract’ in Clause 6 of Schedule II of the Draft CGST Law was different from that contained in Section 2(118) of the Draft CGST Law. Shri Narayana Raju, Secretary, Legislative Department stated that they would examine this issue further to align the wordings in Clause 6 of Schedule II and Section 2(118) of the draft CGST Law. The Council agreed to this suggestion.

6.9. The Hon’ble Minister from Tamil Nadu stated that in the 5<sup>th</sup> Meeting of the Council (held on 2-3 December 2016), it was decided to incorporate the definitions of ‘intra-State supply of goods’ and ‘intra-State supply of services’ in the Model GST Law instead of only cross-referencing it to the IGST Act but this was not done. Commissioner (GST Policy Wing), CBEC stated that this issue was discussed in the Law Committee of officers and it was noted that the existing definition of ‘intra-State supply of goods’ and ‘intra-State supply of services’ was contained in Section 8 of the draft IGST Act and that this also had reference to Sections 10 and 12 of the IGST Act. He pointed out that Section 10 of the IGST Act related to place of supply of goods and Section 12 related to place of supply of services which were lengthy Sections. He stated that incorporating the definitions of ‘intra-State supply of goods’ and ‘intra-State supply of services’ in the draft CGST Law would have involved incorporating Sections 8, 10 and 12 of the draft IGST Act which would have been unwieldy and therefore, the Law Committee suggested that this need not be incorporated in the draft CGST Law. He also pointed out that the Union Law Ministry had advised that definitions adopted in one Act should not be repeated in the other Acts. The Council accepted this explanation and agreed to modify the decision taken in its 5<sup>th</sup> Meeting and agreed not to incorporate the definitions of ‘intra-State supply of goods’ and ‘intra-State supply of services’ in the CGST Act as it was already contained in the IGST Act.

6.10. The Hon’ble Deputy Chief Minister of Delhi pointed out that in Section 2(90) of the draft CGST Act, ‘Commissioner’ was not included in the definition of ‘proper officer’ and this could mean that in Section 6 of the draft CGST Act (dealing with cross-empowerment), Commissioner would not be a proper officer and therefore could not be cross-empowered. Commissioner (GST Policy Wing), CBEC stated that Sections 3, 4 and 5 of the draft CGST Act had reference to

Commissioner. The Hon'ble Chairperson stated that the Law Committee could suitably redefine the term "proper officer" in the draft CGST Act to also bring officers of the rank of Commissioner within its ambit. The Council agreed to this suggestion.

6.11. The Deputy Chief Minister of Delhi referred to his letter dated 4 March, 2017 addressed to the Hon'ble Chairperson and copies sent to all the Hon'ble Members pointing out that designating the sale of land and sale of buildings (subject to certain exceptions), neither as supply of goods nor a supply of services (in Schedule III of the draft CGST Law) would lead to a break in the input tax credit chain and it would be a very big missed opportunity to curb the flow of black money. He stated that, as pointed out in his letter, there was a wrong impression created that introduction of GST on supply of real estate would lead to subsuming of property tax and stamp duty in GST or that it would lead to levy of GST on agricultural land. He also pointed out that low cost housing could be exempted from GST and that for other categories of housing, the cost would not rise due to availability of input tax credit on the raw materials used in construction. The Secretary stated that the Central Government was of the same view as expressed by the Hon'ble Deputy Chief Minister of Delhi. He recalled that this issue was discussed at length during the 7<sup>th</sup> Meeting of the Council (held on 22-23 December, 2016) where the Central Government strongly argued for levying GST on sale of land and building but the Council did not agree to the same and it was decided to revisit this issue after one year of implementation of GST.

6.12. The Hon'ble Chairperson stated that the points raised by the Hon'ble Deputy Chief Minister of Delhi merited careful consideration and that it was desirable to complete the input tax credit chain by levying GST on sale of land and building and that this would also help in curbing generation of black money. He further observed that this would not impinge upon the existing taxation powers of the States on land and building. The Hon'ble Deputy Chief Minister of Delhi suggested that sale of land and building should be removed from Schedule III of the draft CGST Law and cautioned that if this issue was sealed today, then a big opportunity to curb black money would be lost. The Hon'ble Minister from Telangana stated that this issue was already decided and should not be re-opened. The Hon'ble Chairperson stated that the letter of the Hon'ble Deputy Chief Minister of Delhi deserved examination as it had rightly pointed out that it did not impinge upon States' power to levy stamp duty and it did not bring agricultural land under GST and at the same time completed the input tax credit chain. The Hon'ble Deputy Chief Minister of Delhi stated that introduction of GST and availability of input tax credit on land and building would discourage hoarding of land by investing black money into it. The Secretary observed that as per the decision in the 7<sup>th</sup> Meeting of the

Council, this issue was to be reconsidered after one year of implementation of GST and if there was an agreement at that time to bring sale of land and building under GST, it would require amendment to Schedule III. He therefore suggested that presently sale of land and building could be exempted through a notification instead of incorporating it in the law. CCT, Karnataka stated that if a decision was taken to bring sale of land and building in GST, then several amendments would be required in the law such as Section 16 dealing with eligibility and conditions for taking input tax credit. He therefore suggested that the entry regarding sale of land and building should not be removed from Schedule III. The Hon'ble Chairperson stated that this issue could be taken up for decision after one year of implementation of GST. The Hon'ble Minister from Uttar Pradesh suggested to retain the decision taken in the 7<sup>th</sup> Meeting of the Council. The Hon'ble Minister from Andhra Pradesh stated that they would further study the proposal made by the Hon'ble Deputy Chief Minister of Delhi. The Council decided to retain the decision taken in the 7<sup>th</sup> Meeting of the Council (held on 22-23 December, 2016).

6.13. Shri Shyamal Misra, CCT, Haryana stated that in the 10<sup>th</sup> Meeting of the Council (held on 18 February 2017), it was decided to incorporate a provision similar to the Proviso to Section 108(2) (now Section 110(2), relating to National Tribunal) that the senior most Member of the State Bench shall discharge the functions of the President of the State Bench for a temporary period in case the office of the President fell vacant due to reasons like death or resignation of the President, but the same had not been done. The Commissioner (GST Policy Wing), CBEC informed that this issue was discussed in the Law Committee and also with the officers of the Union Law Ministry and it was felt that this provision was not required because the senior most Member of a State Tribunal would be its President and, in his absence, the next senior most Member would be the State President. The Council agreed to modify its decision taken in the 10<sup>th</sup> Meeting of the Council and agreed not to have a Proviso to Section 110(2) for the State Bench similar to that for the National Tribunal.

6.14. CCT, Haryana stated that in the 10<sup>th</sup> Meeting of the Council (held on 18 February 2017), during discussion on issue No. 4 and 5 of the Agenda Note of Agenda Item 3, it was decided to move the provision contained in Section 7(1)(b), namely, 'import of services for a consideration whether or not in course or furtherance of business' to the IGST Law but the same was not done. Commissioner (GST Policy Wing), CBEC explained that as the whole provision of supply was in Section 7 of the draft CGST Law, the Law Committee suggested that it was desirable to keep this provision as part of Section 7 of the CGST Law. The Council agreed to this suggestion and

accordingly agreed to modify its decision taken in the 10<sup>th</sup> Meeting of the Council (held on 18 February 2017).

6.15. The Hon'ble Minister from Karnataka stated that tax collection at source by electronic commerce operators [Section 52(1) of the draft CGST Act] was only a tracking mechanism to create a transaction trail in respect of transactions done through an electronic portal. He observed that electronic commerce was a nascent business and it fitted well with the aim of creating a digital economy. He observed that keeping these factors in view, while the concept of tax collection at source might be kept, but the rate of this tax collection should be upto 1% and not frozen at 1% as currently drafted in Section 52(1) of the draft CGST Law. He stated that this would imply that the maximum tax collection at source from electronic commerce operators could be 0.5% each in the CGST and SGST Law but it could also be lower. He stated that the Council should adopt a principle that the rate of tax collection at source should be pegged at a rate, which would only allow audit trail but would not affect the business model of the electronic commerce segment and would not entail significant amounts of refund. The Council agreed to suitably change the wording in Section 52(1) of the draft CGST Law to indicate that the rate of tax collection at source by electronic commerce operators shall be upto 1%.

6.16. The Hon'ble Minister from Jammu & Kashmir stated that in the draft CGST Law, there were references to several other laws like the Indian Penal Code (IPC), the Code of Criminal Procedure (Cr.PC.), Contract Act etc. which did not apply to the territory of Jammu & Kashmir. On an enquiry from the Hon'ble Chairperson as to how this issue was handled in other Laws, the Secretary, Legislative Department clarified that in the other Laws, it was normally provided that the corresponding Law of the State of Jammu & Kashmir shall apply. The Hon'ble Chairperson suggested that a provision could be put in the CGST Law that any reference to any legislation in the CGST Law shall include corresponding law of the State of Jammu & Kashmir, if it applied there. The Council agreed to this suggestion.

6.17. CCT, Karnataka suggested that Section 31(3)(b) and the Proviso to Section 31(3)(c) of the draft CGST Law (which provides that the registered person may not issue a bill of supply if the value of the goods or services or both supplied is less than two hundred rupees, except where the recipient of the goods or services or both requires such bill) should be re-examined by the Law Committee in order to shift some part of the provision to the relevant GST Rules. The Council agreed to this suggestion.

6.18. The Principal Secretary (Finance), Odisha suggested that there should be a provision in Section 117 of the draft CGST Law that an appellant should pay the full amount of tax in dispute before filing an appeal in High Court. CCT, Gujarat stated that VAT laws of some States had a provision that if a taxpayer had lost a case in the Tribunal, he would have to deposit the full tax amount under dispute before filing an appeal in the High Court. The Secretary observed that it was already provided that 10% of the disputed tax amount would be paid as pre-deposit at the level of the First Appeal and an additional 20% would be paid as pre-deposit at the level of the Second Appeal making the total pre-deposit as 30% of the disputed tax amount, and the question was whether this amount should be increased to 100% for filing an appeal before the High Court. Shri Rajiv Jalota, CCT, Maharashtra stated that in his State, no part payment of tax was allowed for filing appeal in High Court and that the demand of tax could also not be stayed by the High Court. He added that such demand could, however, be stayed under the High Court's Writ jurisdiction. The Hon'ble Chairperson stated that the principle of depositing 100% tax before filing an appeal negated the very right of appeal. He observed that for a high value demand of tax, say Rs.20 crore, it would be unviable to file an appeal in High Court. He further stated that the taxpayer would then take recourse to filing a Writ petition in the High Court and in all likelihood, the Court would grant a stay, making this provision a nullity. The Commissioner (GST Policy Wing), CBEC pointed out that under Section 119 of the draft CGST Law, it was provided that notwithstanding an appeal filed before a High Court or the Supreme Court, sums due to the Government as a result of an order passed by the Appellate Tribunal shall be payable. The Council agreed not to make any change in Section 117 (appeal to High Court) of the draft CGST Law.

6.19. The Hon'ble Minister from Uttar Pradesh observed that the limit of tax amount of Rs. 50,000/- provided in Section 112(2) upto which the Appellate Tribunal could exercise its discretion to refuse to admit an appeal was too small and should be considered for an upward revision. The Hon'ble Chairperson stated that the Appellate Tribunal should be given discretion in this regard. He observed that a case might be small but it might have a cumulative effect as it might impact many assesseees or might be relevant for repeat cases. He further observed that if it was a legal issue, the ratio of the decision could apply across the board. The Secretary stated that this issue was discussed at length in the 10<sup>th</sup> Meeting of the Council (held on 18 February 2017) and the monetary limit for not admitting an appeal before the Appellate Tribunal was reduced from Rs. 1 lakh to Rs. 50,000 and that this decision should not be revisited. The Council agreed to this suggestion.



6.20. The Hon'ble Minister from Uttar Pradesh raised an issue as to how the officers of the States would get representation in the National Tribunal. The Secretary stated that the manner of appointment of the Members of the Appellate Tribunal shall be provided in the relevant GST Rules and the Council could take a decision when discussing the relevant Rules.

6.21. Dr. Reeta Vasishta, Additional Secretary, Legislative Department, Ministry of Law recalled the Council's decision to have a Single Member Bench of the Appellate Tribunal to hear appeal for cases where tax amount did not exceed Rs 5 lakh and suggested that such Single Member Bench should only consist of a Judicial Member. The Hon'ble Minister from Uttar Pradesh stated that this was not a requirement under the VAT Law and that the appeal under the VAT Law also went to the High Court. The Secretary, Legislative Department stated that an appeal decided the rights and obligations of a taxpayer, and, therefore, if it was to be heard by a single Member Bench, it should consist only of a Judicial Member. He added that an administrative function was different from a quasi-judicial function and that there were judgements of the Court that whenever a quasi-judicial function was performed by a single Member Bench, it should consist of a Judicial Member. The Hon'ble Minister from Uttar Pradesh expressed disagreement with the suggestion and stated that the District Magistrates and the Commissioners also decided a large number of cases involving the rights and obligations of the citizens without involving a Judicial Member. The Hon'ble Chairperson observed that the Member (Technical) of a Tribunal would generally be appointed from amongst the officers of the level of Commissioner, Chief Commissioner, or a retired senior officer and because of his long experience in taxation matters, he would be as knowledgeable, if not more, than a Judicial Member, many of whom might be drawn from the rank of advocates or Additional District Judges whose exposure to tax matters would be limited. He stated that in this view, there was no justification to insist that a single Member Bench should only consist of a Judicial Member. The Hon'ble Minister from West Bengal stated that there should be no insistence that a single Member Bench should only consist of a Judicial Member. The Council agreed that a single Member Bench of the Appellate Tribunal could consist of either a Member (Technical) or a Member (Judicial).

7. For **agenda item 2**, the Council approved the draft CGST Law with the changes/decisions as recorded below which includes the changes as suggested in the meeting of the officers held on 3 March 2017 in New Delhi. The Council also authorised the Law Committee of Officers to make minor corrections and rectify typographical errors, wherever required, and that such changes would

be shown in the track change mode and shall be shared with the States within three working days of the date of this meeting.

7.1. To renumber the sub-clause (a) appearing after Section 2(80) of the draft CGST Law [which reads as follows: “other territory” includes territories other than those comprising in a State and those referred to in sub-clauses (a) to (e) of clause (114) of section 2] as Section 2 (81) and to consequentially renumber the existing Clauses (81) to (119) and to also carry out other consequential changes (referencing).

7.2. The Law Committee to suitably redefine the term “proper officer’ in the draft CGST Act [Section 2(91)] to also bring officers in the rank of Commissioner within its ambit.

7.3. To align the language of the expression ‘works contract’ in Clause 6 of Schedule II and Section 2(118) of the draft CGST Law.

7.4. The Law Committee to reformulate the existing text of Section 6 of the draft CGST Act taking into account the suggestions of the Hon’ble Minister from West Bengal and the Hon’ble Minister from Karnataka to give effect to the understanding that SGST officers shall be cross-empowered under the CGST Act in the Act itself and that only one order shall be passed for one dispute involving taxes under both the CGST and the SGST Act and that if a CGST officer passed an order, which also included demand for tax under the SGST Act, the SGST officer shall be barred from passing order on the same dispute.

7.5. To modify the decision taken in the 10<sup>th</sup> Meeting of the Council (held on 18 February 2017), in respect of Issue No. 4 and 5 of the Agenda Note of Agenda Item 3 and not to move the provision contained in Section 7(1)(b), namely, ‘import of services for a consideration whether or not in course or furtherance of business’ to the IGST Law.

7.6. In Section 19(1), to add the words as indicated in bold italics below: “A registered person who has paid integrated tax on a supply considered by him to be an inter-state supply, but which is subsequently ***held found*** to be an intra-State supply, shall, be granted refund of the amount of integrated tax so paid in such manner and subject to such conditions as may be prescribed.”

7.7. Section 31(3)(b) and Proviso to Section 31(3)(c) to be re-examined by the Law Committee in order to shift some part of the provision to the relevant GST Rules.

7.8. To suitably change the wording in Section 52(1) to indicate that the rate of tax collection at source by electronic commerce operators shall be upto 1%.

7.9. In Section 54(12), the reference to Section 50 to be replaced by Section 56.

7.10. To modify Section 56 to provide that if refund is not given within thirty days of the passing of an adjudication or appellate order where the order has acquired finality, the rate of interest for delayed refund would be 9% and in other cases of refund, where interest is payable, it shall be paid at the rate of 6%.

7.11. In the proviso to Section 67(2), to add the words as indicated in bold italics below: “Provided that where it is not practicable to seize any such goods, the proper officer, ***or any officer authorized by him***, may serve on the owner or the custodian of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer:”

7.12. In Section 67(9), to add the words as indicated in bold italics below: “Where any goods, being goods specified under sub-section (8), have been seized by a proper officer, ***or any officer authorized by him***, under sub-section (2), he shall prepare an inventory of such goods in the manner as may be prescribed”.

7.13. To add a Proviso in Section 109(10) as indicated in bold italics below: “In the absence of a Member in any Bench due to vacancy or otherwise, any appeal may, with the approval of the President or, as the case may be, the State President, be heard by a Bench of two Members:

***Provided that any appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined in any order appealed against, does not exceed five hundred thousand rupees and which does not involve any question of law may, with the approval of the President and subject to such conditions as may be prescribed on the recommendations of the Council, be heard by a bench consisting of a single Member.***

7.14. A single Member Bench of the Appellate Tribunal shall consist of either a Member (Technical) or a Member (Judicial).

7.15. To modify the decision of the Council taken in its 10<sup>th</sup> Meeting and not to have a Proviso to Section 110(2) for the State Bench similar to that for the National Tribunal.

7.16. In Section 110(11), to add the clause as indicated in bold italics below: “The Technical Member (Centre) or Technical Member (State) of the Appellate Tribunal ***shall hold office for a term of five years from the date on which he enters upon his office, or until he attains the age of sixty-five years, whichever is earlier and shall be eligible for re-appointment.***”

7.17. In Section 118(1), to carry out the editorial correction as indicated in bold italics and strikethrough mode below: “An appeal shall lie to the Supreme Court-

(a) from any order passed by the National Bench ***and*** or Regional Benches of the Appellate Tribunal; or...”

7.18. In Section 129(1)(c), to make the amendment as indicated in bold italics and strikethrough mode below: “upon furnishing a security ***equivalent to the amount payable under clause (a) or clause (b) in such form and manner as may be prescribed*** ~~*in such form as may be prescribed*~~ ***equivalent to the amount payable under clause (a) or clause (b):***”

7.19. To add the missing Sub-section and Section numbers in Explanation under Section 168 which reads as follows: “For the purposes of this section, the Commissioner specified in sub-section (***90***) of section ***2***, sub-section (***3***) of section ***5***, clause (***b***) of sub-section (***9***) of section ***25***, sub-section (***1***) of section ***37***, sub-section (***2***) of section ***38***, sub-section (***6***) of section ***39***, sub-section (***1***) of section ***151***, and section ***167*** shall mean a Commissioner or Joint Secretary posted in the Board and such Commissioner or Joint Secretary shall exercise the powers specified in the said sections with the approval of the Board.”

7.20. To add the words indicated in bold italics below in Clause 2 of Schedule I: “Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business:

Provided that gifts not exceeding fifty thousand rupees in value in a ***financial*** year by an employer to an employee shall not be treated as supply of goods or services.”

7.21. To delete Clause 4 of Schedule III which reads as follows and this matter to be handled through notification: “~~***4. Services by a foreign diplomatic mission located in India or any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947.***~~”

7.22. To modify the decision of the Council taken in its 5<sup>th</sup> Meeting (held on 2-3 December 2016) and not to incorporate the definitions of ‘intra-State supply of goods’ and ‘intra-State supply of services’ in the CGST Act as it was already contained in the IGST Act.

7.23. To incorporate a provision in the CGST Law that any reference to any legislation in the CGST Law shall include corresponding law of the State of Jammu & Kashmir, if it applied there.

**Agenda Item 3: Approval of the Draft IGST Law as modified in accordance with the decisions of the GST Council and as vetted by the Ministry of Law & Justice, Government of India:**

8. Introducing this agenda note, the Secretary invited the Commissioner (GST Policy Wing), CBEC to brief the Council regarding the important changes made in the draft IGST Law. The Commissioner (GST Policy Wing), CBEC broadly explained the changes made in the IGST Law between the draft of November 2016 (which was the most recent version of the Draft put in public domain) and the draft of 1 March 2017 presented as Agenda Note for the 11th Meeting of the Council. These changes are broadly recorded in **Annexure 3** and was also circulated to the Council Members. The Secretary invited comments of the Members on the draft IGST Law.

8.1. The Hon’ble Minister from Tamil Nadu stated that the draft IGST Law should not extend to Union Territories without Legislature. He stated that according to Article 366(26B) of the Constitution, “State” with reference to Articles 246A, 268, 269, 269A and Article 279A of the Constitution included a ‘Union territory with Legislature;’ and considering that Article 366 (26B) of the Constitution included only “Union Territory with Legislature” within the meaning of State, Union Territory without Legislature could not be considered as a State for the purpose of Goods and Service Tax. He added that since, Article 366 (26B) of the Constitution had a reference to Article 246A, 269A and 279A, ‘Union Territory without Legislature’ could not be covered by the SGST/IGST Act. He further stated that the other fact was that Section 2(102) of the CGST Act had defined State as “State” including a ‘Union territory with Legislature’.

8.2. The Commissioner, GST Council stated that the power to levy GST was derived from Article 246A of the Constitution and under it, the Central Government had the power to impose GST across the entire territory of the Union of India. He added that once this power was vested with the Central Government, it had the legal authority to apply multiple taxes (like CGST and Union Territory Goods and Services Tax). He added that the Central Government also had residuary powers of

taxation under Entry 96 of the List I of the Schedule 7 of the Constitution and under this, it could impose GST in Union Territory without Legislature. The Hon'ble Minister from Uttar Pradesh stated that this issue could be examined by the Law Committee. The Secretary clarified that this issue had already been examined by the Law Committee as well as the officers of the Union Law Ministry and both had agreed with the formulation incorporated in draft CGST Law for levying GST in Union Territories without Legislature. The Hon'ble Chairperson stated that if the term Union Territory without Legislature was not covered in the definition of 'State', it would be covered in the definition of Union of India and therefore he did not visualize any legal difficulty in levying GST in Union Territories without Legislature. The Council agreed with this view.

8.3. The Hon'ble Minister from Jammu & Kashmir stated that the definition of SGST Act contained in Section 2(21) of the draft IGST Law had a reference to Article 246A of the Constitution, which was not applicable to the State of Jammu & Kashmir. He stated that Article 5 of the Constitution of Jammu & Kashmir (relating to the extent of executive and legislative power of the State of Jammu & Kashmir) provided that the executive and legislative power of the State of Jammu & Kashmir extended to all matters except those with respect to which the Parliament of India had power to make laws for the State of Jammu & Kashmir under the provisions of the Constitution of India. The Additional Secretary, Legislative Department suggested to modify the definition of the term 'State Goods and Services Tax Act' in Section 2(21) of the draft IGST Law and to remove from it, reference to Article 246A of the Constitution of India. The Council agreed to this suggestion.

8.4. The Hon'ble Minister from West Bengal stated that in Section 2(6) of the draft IGST Law, there was a reference, in relation to export of services, that the payment for such services should be received in convertible foreign exchange. He stated that exports to Nepal and Bhutan was normally permitted against payment in Indian Rupees and suggested that this could be examined by the Law Committee and corrected, if so required.

8.5. The Hon'ble Minister from West Bengal enquired whether the IGST would be collected inclusive of Customs duty. The Commissioner (GST Policy Wing), CBEC stated that the proviso to Section 5(1) of the draft IGST Law provided that integrated tax on goods imported into India shall be levied in accordance with the provisions of Section 3 of the Customs Tariff Act, 1975 and this implied that it would be levied on the value inclusive of Basic Customs duty.

8.6. The Hon'ble Minister from West Bengal stated that there appeared to be a contradiction between Section 12(8) and Section 13(9) of the draft IGST Law as the former referred to 'place of

supply of services by way of transportation of goods, including by mail or courier...’, whereas the later referred to ‘place of supply of services of transportation of goods, other than by way of mail or courier...’. He stated that mail or courier was included in Section 12(8) but was excluded in Section 13(9). Shri G.D. Lohani, Commissioner, CBEC explained that Section 12(8) of the draft IGST Law dealt with supplies within the country whereas Section 13(9) dealt with supplies where either the supplier of services or the recipient of services was located outside India. He explained that under the current Service Tax law, couriers dealing with international supply were not treated as transporters and couriers for inbound and outbound supplies to and from India were subject to tax. He further explained that for supplies within India, for which Section 12(8) of the draft IGST Law applied, couriers were to be taxed only at one end. He stated that the provisions of Section 12(8) and Section 13(9) of the draft IGST Law were drafted keeping this difference in mind. The Hon’ble Minister from West Bengal stated that the Law Committee could examine this aspect and that if there was no discrepancy, then the provisions in question could continue in their present form.

8.7. CCT, Karnataka stated that the provision of refund for international tourists in Section 15 of the draft IGST Law would be difficult to implement in practice as an international tourist would not be able to figure out whether the tax he had paid for purchases in India was CGST and SGST or IGST. The Hon’ble Chairperson stated that the general international experience was that provision of tax refund to tourists was very cumbersome and required a lot of paperwork and procedural formalities. The Secretary stated that one option could be to remove this provision altogether but if it had to be retained, it could be operated only on the basis of the IGST model. The Hon’ble Chairperson stated that another option could be to restrict the facility of refund to international tourists to jewellery purchases. The Hon’ble Minister from Uttar Pradesh observed that there was no provision in the United States of America for refund of duties paid by an international tourist. CCT, Gujarat stated that several countries had a provision to refund the taxes paid by international tourists and that it would be desirable to retain enabling provision for it in the GST Law. The Council agreed to this suggestion.

9. For **agenda item 3**, the Council approved the draft IGST Law with the changes/decisions as recorded below. The Council also authorised the Law Committee of Officers to make minor corrections and rectify typographical errors, wherever required, and that such changes would be shown in the track change mode and shall be shared with the States within three working days of the date of this meeting.

9.1. Section 2(6) dealing with export of services and containing the requirement of payment in convertible foreign exchange to be re-examined by the Law Committee and corrected, if required.

9.2. To modify the definition of the term 'State Goods and Services Tax Act' in Section 2(21) by removing from it, reference to Article 246A of the Constitution of India.

9.3. The Law Committee to examine Section 12 (8) and 12 (9) for any apparent contradiction, and if there was no contradiction, these provisions could continue in their present form.

**Agenda Item 4: Development of an e-Waybill System by Goods and Services Tax Network (GSTN):**

10. Introducing this agenda item, the Secretary stated that Section 68 of the draft CGST Law contained a provision for inspection of goods in movement and that it provided that the Government might specify a document or a device to be carried by a person in charge of a conveyance who carried goods exceeding a certain prescribed value. He recalled that this provision (the then Section 80 of the Model GST Law) was discussed in the 6<sup>th</sup> Meeting of the Council (held on 11 December, 2016), particularly in the context of having check-posts at the State borders and it was felt that in the GST regime, check-posts need not be kept at the borders to physically check goods but it was necessary to record information regarding movement of goods across the State borders. He added that it was also discussed that the movement of goods, whether within or across the State, would be with a meta-permit and that the vehicles could be checked anywhere and not necessarily at the borders. He stated that keeping this in view, GSTN needed authorisation for development of an e-Way Bill Application System. He stated that by using this System, every Logistics Service Provider could generate an e-way bill containing the invoice details and the vehicle details on 24\*7 basis, without requiring any approval from a tax officer. With this introduction, he presented the following agenda for the consideration of the Council: (i) Approval of the proposal to create Electronic Way Bills System Module as part of the GST System through GSTN; and (ii) GSTN to collect a small convenience fee for each e-Way bill for the creation and operation of the proposed e-Way Bill System.

10.1. The Hon'ble Minister from West Bengal stated that in principle, he supported the proposal but the only question was as to who would pay the cost for creation of the System and generation of e-Way Bills which was indicated to be about Rs. 232 crore over a five year period. He stated that as



this was a relatively small amount, the cost should be borne by the Government instead of the logistics operators. The Secretary informed that this issue was deliberated in the Officers' Meeting held on 3 March 2017 and the general view that emerged there was that the Central and the State Governments should bear this cost. The Council agreed with this proposal.

10.2. Ms. Sujata Chaturvedi, CCT, Bihar stated that the Ministry of Road Transport and Highways (MoRTH) should also be consulted while developing the e-Way Bill System. The Secretary stated that a separate meeting would be held with MoRTH as also with the other relevant Ministries like Environment, Railway and Shipping, to discuss this issue and for not having check posts at the State borders.

11. For **agenda item 4**, the Council approved the proposal to create Electronic Way Bills System Module as part of the GST System through GSTN and the cost for developing and operating the same would be borne by the Central and State Governments.

#### **Agenda Item 5: Date of the next meeting of the GST Council**

12. The Hon'ble Chairperson stated that another meeting of the Council would need to be called shortly to approve the other two laws namely the Model SGST Law and the UTGST Law. He suggested to hold the next meeting on either 14, 15 or 16 March 2017. After deliberation, the Council agreed to hold its next meeting on 16 March 2017 in New Delhi.

#### **Agenda Item 6: Any other agenda item with the permission of the Chairperson**

13. The Hon'ble Minister from Uttar Pradesh informed that migration of the existing taxpayers to GSTN was very slow and that the process needed to be expedited. Shri Navin Kumar, Chairman, GSTN informed that about two-thirds of the existing Value Added Tax (VAT) dealers had activated their accounts on GSTN but of late, the speed had slowed down as many taxpayers whose annual turnover was between Rs. 10 lakh and Rs. 20 lakh were waiting for clarity in the law before migrating to GSTN. The Hon'ble Chairperson observed that the work of migration of existing taxpayers should be carried out efficiently.

14. The Hon'ble Chairperson expressed his deep appreciation for the hard and long working hours put in by the officers of the Law Committee, which enabled the CGST and IGST Laws to be passed by the Council in this meeting. He observed that this was a milestone in the Centre-State relationship as, on an important issue like taxation, State officers played a very prominent role in drafting the law and correcting the language. The Hon'ble Chief Minister of Puducherry stated that the House placed on record its deep appreciation of the stellar role played by the Hon'ble Chairperson in steering the successful completion of the discussion on the CGST and IGST Laws. The Hon'ble Minister from West Bengal placed on record his appreciation for the hard work of the officers of the Law Committee and, in particular thanked the two co-convenors, Shri P.K. Mohanty, Consultant (GST), CBEC and Dr. P.D. Vaghela, CCT, Gujarat. He also placed on record his appreciation of the important role played by Dr Hasmukh Adhia, Secretary to the Council, his team of officers and Shri Upender Gupta, Commissioner (GST Policy Wing), CBEC. As a token of appreciation of the contribution of the officers of the Law Committee, the Hon'ble Chairperson felicitated the following officers with bouquets:

#### **State Government Officers**

1. Dr. P.D. Vaghela, Commissioner, Commercial Taxes, Gujarat
2. Shri Rajiv Jalota, Commissioner, Commercial Taxes, Maharashtra
3. Shri Ritvik Pandey, Commissioner, Commercial Taxes, Karnataka
4. Shri Arun Mishra, Additional Secretary, Commercial Taxes, Bihar
5. Shri Khalid Anwar, Joint Commissioner, Commercial Taxes, West Bengal
6. Shri Dhananjay Akhade, Joint Commissioner, Commercial Taxes, Maharashtra
7. Dr. Ravi Prasad, Joint Commissioner, Commercial Taxes, Karnataka
8. Shri Riddhesh Rawal, Deputy Commissioner, Commercial Taxes, Gujarat

#### **Central Government Officers**

1. Shri P. K. Mohanty, Consultant (GST) CBEC
2. Shri P. K. Jain, Principal Commissioner, Authorised Representative, CESTAT
3. Shri Upender Gupta, Commissioner (GST Policy Wing), CBEC
4. Shri G. D. Lohani, Commissioner of Central Excise, Faridabad
5. Shri Neeraj Prasad, Additional Commissioner (GST Policy Wing), CBEC

6. Shri Vishal Pratap Singh, Deputy Commissioner (GST Policy Wing), CBEC
7. Shri Ravneet Singh Khurana, Deputy Commissioner (GST Policy Wing), CBEC
8. Shri Siddharth Jain, Assistant Commissioner (GST Policy Wing), CBEC

#### **Ministry of Law**

1. Ms. Rita Vashishtha, Additional Secretary, Legislative Department, Ministry of Law
2. Shri R. Srinivas, Additional Legislative Counsel, Legislative Department, Ministry of Law

#### **Goods & Services Tax Network**

1. Shri Jagmal Singh, Vice President, GSTN

15. The meeting ended with a vote of thanks to the Chair.

**Annexure 1**

**List of Ministers who attended the 11<sup>th</sup> GST Council Meeting on 4 March 2017**

<b><u>S No</u></b>	<b><u>State/Centre</u></b>	<b><u>Name of the Minister</u></b>	<b><u>Charge</u></b>
1	Govt of India	Shri Arun Jaitley	Finance Minister
2	Govt of India	Shri Santosh Kumar Gangwar	Ministry of State, Finance
3	Puducherry	Shri V. Narayanasamy	Chief Minister
4	Arunachal Pradesh	Shri Chowna Mein	Deputy Chief Minister
5	Delhi	Shri Manish Sisodia	Deputy Chief Minister
6	Andhra Pradesh	Shri Yanamala Ramakrishnudu	Finance Minister
7	Assam	Dr. Himanta Biswa Sarma	Finance Minister
8	Bihar	Shri Bijendra Prasad Yadav	Minister, Commercial Taxes
9	Chhattisgarh	Shri Amar Agrawal	Finance Minister
10	Himachal Pradesh	Shri Prakash Chaudhary	Minister, Excise & Taxation
11	Jammu & Kashmir	Dr. Haseeb A. Drabu	Finance Minister
12	Jharkhand	Shri C.P. Singh	Minister, Urban Development & Housing
13	Karnataka	Shri Krishna Byregowda	Minister, Agriculture
14	Mizoram	Shri Lalsawta	Finance Minister
15	Nagaland	Shri Vikheho Swu	Minister, Roads & Bridges
16	Rajasthan	Shri Rajpal Singh Shekhawat	Minister, Industries
17	Tamil Nadu	Shri D. Jayakumar	Minister for Fisheries, Finance & Administrative Reforms
18	Telangana	Shri Etela Rajender	Finance Minister
19	Uttar Pradesh	Prof. Abhishek Mishra	Minister, Skill Development
20	West Bengal	Dr. Amit Mitra	Finance Minister

## **Annexure 2**

### **List of officers who attended the 11<sup>th</sup> GST Council Meeting on 4 March 2017**

<b><u>S No</u></b>	<b><u>State/Centre</u></b>	<b><u>Name of the Officer</u></b>	<b><u>Charge</u></b>
1	Govt. of India	Dr. Hasmukh Adhia	Revenue Secretary
2	Ministry of Law	Shri Suresh Chandra	Secretary, Legal Affairs
3	Ministry of Law	Dr. G. Narayana Raju	Secretary, Legislative Department
4	Govt. of India	Shri Najib Shah	Chairman, CBEC
5	Govt. of India	Ms. Vanaja N. Sarna	Member (P&V), CBEC
6	Govt. of India	Shri Ram Tirath	Member (GST), CBEC
7	Govt. of India	Shri Mahender Singh	Director General, DG-GST, CBEC
8	Govt. of India	Shri P.K. Jain	Principal Commissioner, (AR), CESTAT, CBEC
9	Govt. of India	Shri B.N. Sharma	Additional Secretary, Dept of Revenue
10	Ministry of Law	Dr. Reeta Vasishta	Additional Secretary, Legislative Department
11	Govt. of India	Shri P.K. Mohanty	Advisor (GST), CBEC
12	Govt. of India	Shri Alok Shukla	Joint Secretary (TRU), Dept of Revenue
13	Govt. of India	Shri Upender Gupta	Commissioner (GST), CBEC
14	Govt. of India	Shri Udai Singh Kumawat	Joint Secretary, Dept of Revenue
15	Govt. of India	Shri Amitabh Kumar	Joint Secretary (TRU), Dept of Revenue
16	Govt. of India	Shri G.D. Lohani	Commissioner, CBEC
17	Govt. of India	Shri D.S.Malik	ADG, Press, Ministry of Finance
18	Govt. of India	Shri Hemant Jain	Advisor to MoS (Finance)
19	Ministry of Law	Shri S. Shrivat	Assistant Legal Adviser
20	Govt. of India	Ms. Aarti Saxena	Deputy Secretary, Dept of Revenue
21	Govt. of India	Shri S.P. Bhatia	OSD to FM
22	Govt. of India	Shri Ravneet Singh Khurana	Deputy Commissioner, GST Policy

<b>S No</b>	<b>State/Centre</b>	<b>Name of the Officer</b>	<b>Charge</b>
23	Govt. of India	Shri Vishal Pratap Singh	Deputy Commissioner, GST Policy
24	Govt. of India	Shri Siddharth Jain	Assistant Commissioner, GST Policy
25	Govt. of India	Shri Vipin Kumar Singh	Assistant Director, Press
26	Govt. of India	Shri P.K.Manderva	Superintendent, GST Policy
27	GST Council	Shri Arun Goyal	Additional Secretary
28	GST Council	Shri Shashank Priya	Commissioner
29	GST Council	Shri Manish K Sinha	Commissioner
30	GST Council	Shri G.S. Sinha	Joint Commissioner
31	GST Council	Ms. Thari Sitkil	Deputy Commissioner
32	GST Council	Shri Rakesh Agarwal	Assistant Commissioner
33	GST Council	Shri Kaushik TG	Assistant Commissioner
34	GST Council	Shri Shekhar Khansili	Superintendent
35	GST Council	Shri Manoj Kumar	Superintendent
36	GST Council	Shri Sandeep Bhutani	Superintendent
37	GST Council	Shri Amit Soni	Inspector
38	GST Council	Shri Anis Alam	Inspector
39	GST Council	Shri Ashish Tomar	Inspector
40	GST Council	Shri Sharad Verma	Tax Assistant
41	GST Council	Shri Sher Singh Meena	Tax Assistant
42	Andhra Pradesh	Shri J. Syamala Rao	Commissioner, Commercial Taxes
43	Andhra Pradesh	Shri T. Ramesh Babu	Additional Commissioner, Commercial Taxes
44	Andhra Pradesh	Shri D.Venkateswara Rao	OSD, Revenue
45	Arunachal Pradesh	Shri Marnya Ete	Secretary & Commissioner, Commercial Taxes
46	Arunachal Pradesh	Shri Nakut Padung	Superintendent, VAT
47	Assam	Dr. Ravi Kota	Finance Commissioner

<b>S No</b>	<b>State/Centre</b>	<b>Name of the Officer</b>	<b>Charge</b>
48	Assam	Shri Rakesh Agarwala	Joint Commissioner, Commercial Taxes
49	Bihar	Ms. Sujata Chaturvedi	Principal Secretary & Commissioner, Commercial Taxes
50	Bihar	Shri Arun Kr. Mishra	Addl. Secretary, Commercial Taxes
51	Bihar	Shri Ajitabh Mishra	Assistant Commissioner, Commercial Taxes
52	Chhattisgarh	Ms. Sangeetha P	Commissioner, Commercial Taxes
53	Chhattisgarh	Shri Khemraj Jhariya	Additional Commissioner, Commercial Taxes
54	Delhi	Shri H. Rajesh Prasad	Commissioner, VAT
55	Delhi	Shri Anand Kumar Tiwari	Additional Commissioner, GST
56	Goa	Shri Dipak Bandekar	Commissioner, Commercial Taxes
57	Gujarat	Dr. P.D. Vaghela	Commissioner, Commercial Taxes
58	Gujarat	Ms. Mona Khandhar	Secretary (Economic Affairs)
59	Haryana	Shri Shyamal Misra	Commissioner, Excise & Taxation
60	Haryana	Shri Vidya Sagar	Joint Commissioner, Excise & Taxation
61	Haryana	Shri Rajeev Chaudhary	Deputy Commissioner, Excise & Taxation
62	Himachal Pradesh	Shri Pushpendra Rajput	Commissioner, Commercial Taxes
63	Jammu & Kashmir	Shri P.I. Khateeb	Commissioner, Commercial Taxes
64	Jammu & Kashmir	Shri P.K. Bhat	Additional Commissioner, Commercial Taxes
65	Jharkhand	Shri Sanjay Kr. Prasad	Joint Commissioner (HQ)
66	Jharkhand	Shri G.S. Kapardar	Assistant Commissioner
67	Karnataka	Shri Ritvik Pandey	Commissioner, Commercial Taxes
68	Karnataka	Dr. M.P. Ravi Prasad	Joint Commissioner, Commercial Taxes
69	Kerala	Shri P. Mara Pandiyan	Additional Chief Secretary (Taxes)
70	Kerala	Dr. Rajan Khobragade	Commissioner, Commercial Taxes
71	Madhya Pradesh	Shri Manoj Shrivastav	Principal Secretary, Commercial Taxes
72	Madhya Pradesh	Shri Raghwendra Kumar Singh	Commissioner, Commercial Taxes

<b>S No</b>	<b>State/Centre</b>	<b>Name of the Officer</b>	<b>Charge</b>
73	Madhya Pradesh	Shri Sudip Gupta	Deputy Commissioner
74	Maharashtra	Shri Rajiv Jalota	Commissioner, Sales Tax
75	Maharashtra	Shri Dhananjay Akhade	Joint Commissioner, Sales Tax
76	Meghalaya	Shri Abhishek Bhagotia	Commissioner, Commercial Taxes
77	Meghalaya	Shri L. Khongsit	Assistant Commissioner, Commercial Taxes
78	Mizoram	Shri L.H. Rosanga	Commissioner, Taxes
79	Mizoram	Shri R. Zosiamliana	Deputy Commissioner, Taxes
80	Nagaland	Shri Asangba Chuba Ao	Commissioner, Commercial Taxes
81	Odisha	Shri Tuhin Kanta Pandey	Principal Secretary (Finance)
82	Odisha	Shri Saswat Mishra	Commissioner, Commercial Taxes
83	Odisha	Shri Sahadev Sahu	Joint Commissioner, Commercial Taxes
84	Puducherry	Dr. V. Candavelou	Secretary (Finance)
85	Puducherry	Shri G. Srinivas	Commissioner, Commercial Taxes
86	Punjab	Shri Satish Chandra	Additional Chief Secretary
87	Punjab	Shri Rajeev Gupta	Advisor (GST), Govt of Punjab
88	Punjab	Shri Pawan Garg	Deputy Commissioner, Commercial Taxes
89	Rajasthan	Shri Alok Gupta	Commissioner, Commercial Taxes
90	Rajasthan	Shri Ketan Sharma	Deputy Commissioner, Commercial Taxes
91	Sikkim	Shri Manoj Rai	Joint Commissioner, Commercial Taxes
92	Tamil Nadu	Shri C. Chandramouli	Additional Chief Secretary
93	Tamil Nadu	Shri K. Gnanasekaran	Additional Commissioner, Commercial Taxes
94	Tamil Nadu	Shri R. Rajesh Kannan	Officer, Coordination
95	Tamil Nadu	Shri P. Rajendran	Assistant Liaison Officer
96	Telangana	Shri Anil Kumar	Commissioner, Commercial Taxes
97	Telangana	Shri Laxminarayan Jannu	Joint Commissioner, Commercial Taxes



<b>S No</b>	<b>State/Centre</b>	<b>Name of the Officer</b>	<b>Charge</b>
98	Tripura	Shri Debapriya Bardhan	Commissioner, Commercial Taxes
99	Uttarakhand	Shri Ranveer Singh Chauhan	Commissioner, Commercial Taxes
100	Uttarakhand	Shri Piyush Kumar	Addl. Commissioner, Commercial Taxes
101	Uttarakhand	Shri Yashpal Singh	Deputy Commissioner, Commercial Taxes
102	Uttar Pradesh	Shri R.K.Tiwari	Additional Chief Secretary
103	Uttar Pradesh	Shri Mukesh Kumar Meshram	Commissioner, Commercial Taxes
104	Uttar Pradesh	Shri Vivek Kumar	Additional Commissioner, Commercial Taxes
105	Uttar Pradesh	Shri Niraj Kumar Maurya	Assistant Commissioner, Commercial Taxes
106	West Bengal	Shri H.K. Dwivedi	Principal Secretary, Finance
107	West Bengal	Ms. Smaraki Mahapatra	Commissioner, Commercial Taxes
108	West Bengal	Shri Khalid A Anwar	Senior Joint Commissioner, Commercial Tax
109	GSTN	Shri Navin Kumar	Chairman, CBEC
110	GSTN	Shri Prakash Kumar	CEO

## **Annexure 3**

### **Changes in Model GST Law (Between 26<sup>th</sup> Nov 2016 draft to 1<sup>st</sup> March 2017 draft)**

<b><u>General</u></b>
<ol style="list-style-type: none"><li>1. All the changes that have been discussed and accepted by the Council in the 5<sup>th</sup> – 10<sup>th</sup> Council meetings have been incorporated and suitable changes (including consequential) have been made in the draft law (e.g. Penalty amounts, Tribunal provisions, removal of definition of agriculture, definition of agriculturist, etc.).</li><li>2. Law committee while examining the Rules as per stakeholder feedback received, also made appropriate changes in the Model GST Law (MGL) (e.g. introduction of invoice for reverse charge, a provision for payment voucher on the basis of feedback received on Invoice Rules, etc.).</li><li>3. The revised drafts include changes on account of examination of comments / feedback received from trade and industry on the draft MGL put in public domain in November 2016 (comments received till the first week of January 2017 were considered).</li><li>4. The overall sections of the CGST Law are the same as the draft MGL as it stood in November 2016, but there have been some changes as outlined below: -<ol style="list-style-type: none"><li>a. Realignment of Chapters to bring them more in consonance with the taxpayer life cycle i.e. Assessment and Audit Functions brought after Registration, Payment and Refunds.</li><li>b. Internal realignment of sub-sections and clauses as requested by the Union Ministry of Law during the vetting process.</li><li>c. Merging of sections (especially in Transitional Provisions, Appellate, Revision and Advance Ruling Chapters) to improve readability and matching of sections between CGST and SGST draft Laws.</li><li>d. Schedule V for Registration has been added as a separate section in the draft CGST Law on the recommendation of the Union Ministry of Law and Schedule has been omitted.</li></ol></li><li>5. In light of the decision of levy of taxes on Union territories without legislature, suitable amendments have been made as below: -<ol style="list-style-type: none"><li>a. A new Act called the Union Territory Goods and Services Tax Act will be framed to levy the tax on UTs without legislature.</li><li>b. Suitable changes in the Place of Supply rules contained in the Draft IGST Law to deem the transactions between territorial waters adjoining a State and the territory of that State as intra-State supplies.</li></ol></li></ol>
<b><u>Definitions</u></b>
<ol style="list-style-type: none"><li>1. Certain definitions have been added (e.g. Section 2(22) (cess), 2(49) (family) etc.) and some definitions deleted (Rules, First Stage Dealer) as per recommendations of the Council and the Union Ministry of Law.<ol style="list-style-type: none"><li>a. Since IGST, UTGST definitions have been adopted in the CGST Act and <i>vice versa</i>, no definitions will be repeated in any of the Acts (e.g. Continuous journey, intra-state supply etc.), and no expression or term will be defined in various laws simultaneously as omnibus provision for adoption of definitions contained in any of the other laws has been provided. (Section 2(119))</li><li>b. Only those terms are to be defined which have been used more than three times in the entire Law.</li></ol></li><li>2. Some sections such as Section 2(26) (common portal) and Section 2(39) (deemed exports) which were earlier in the Definitions section have been incorporated as separate sections and referred to in the definitions.</li><li>3. Some definitions such as “earlier law” have been redefined as “existing law (Section 2(43)) per other precedents and the Constitution.</li><li>4. “Prescribed” was redefined by adding the phrase ‘as per recommendations of the Council’.</li></ol>

Therefore, all Rules are mandatorily to be approved by the Council.
5. The term “Government” has been defined in various Laws to obviate the need for different sections in CGST and SGST laws.
<b><u>Levy and Collection of Tax</u></b>
<ol style="list-style-type: none"> <li>1. A new section has been created for tax liability on composite and mixed supplies (Section 8).</li> <li>2. Applying reverse charge on supplies procured from unregistered persons (Section 9(4)).</li> <li>3. Definition of a Taxable person has been shifted to the Definitions section (Section 2(107)).</li> </ol>
<b><u>Input Tax Credit</u></b>
<ol style="list-style-type: none"> <li>1. The definition of aggregate value of turnover has been amended in section relating to Input Service Distributor, in order to enable distribution of GST credit in the ratio of turnover of GST and Non-GST supplies (petroleum etc.) for every State (Section 20).</li> <li>2. The term “plant and machinery” has been amended so as to specifically exclude pipelines laid outside the factory premises and telecommunication towers (Section 17).</li> </ol>
<b><u>Registration</u></b>
<ol style="list-style-type: none"> <li>1. Liability for registration, deemed registration and persons not liable for registration shifted from Schedule V to Chapter VI (Sections 22 – 24).</li> </ol>
<b><u>Tax Invoice</u></b>
<ol style="list-style-type: none"> <li>1. A payment voucher to be issued to an unregistered person when making payment on reverse charge basis (Section 31(3)(f)).</li> <li>2. A provision regarding no unauthorized collection by registered person added (Section 32).</li> </ol>
<b><u>Refunds</u></b>
<ol style="list-style-type: none"> <li>1. Interest rate for late payment of tax has been proposed at 18% (Section 50) and 24% (Section 50) under certain extreme circumstances.</li> <li>2. Interest rate for delayed refunds is proposed at 6%. (Section 56).</li> </ol>
<b><u>Demands and Recovery</u></b>
<ol style="list-style-type: none"> <li>1. Tax arrears cannot be the first charge (Section 82) for a bankrupt company and the provisions of the Insolvency and Bankruptcy Code, 2016 will take precedence over other Central or State Tax Laws.</li> </ol>
<b><u>Advance Ruling</u></b>
<ol style="list-style-type: none"> <li>1. In the initial drafts it was proposed that an Advance Ruling Authority will be constituted under the Central Act and the same will be adopted under the State Act. Now, it is proposed that there will be 31 State Advance Ruling Authorities and the same will be adopted in the Central Act. (Sections 96).</li> </ol>
<b><u>Appeal and Revisions</u></b>
<ol style="list-style-type: none"> <li>1. Tribunal provisions added (Section 109(6)).</li> </ol>
<b><u>Miscellaneous Provisions</u></b>
<ol style="list-style-type: none"> <li>1. Section relating to Presumption as to documents has been shifted to Miscellaneous Chapter. Old sections relating to “presumption as to documents in certain cases” has been amended (Section 144).</li> <li>2. The Union Ministry of Law has also made an omnibus section to give powers to make Rules to the Central Government which is easier than providing a long list of rules in the law itself (Section 164).</li> </ol>

**Changes in Model IGST Law (Between 26<sup>th</sup> Nov 2016 draft to 1<sup>st</sup> March 2017 draft)**

1. Realignment of Sections as per recommendations of the Law Committee and the Union Ministry of Law.
2. Suitable changes in the Place of Supply rules contained in the Draft IGST Law to deem the transactions between the territorial waters adjoining a State and the territory of that State as intra-State supplies.
3. Inter-State and Intra-State Supply definitions are proposed to be amended to bring more clarity.
4. Provision for apportionment of IGST credit used for payment of UTGST.
5. Some machinery sections have been deleted and an omnibus section for application of CGST sections on IGST supplies has been added.

	<b><i>THE &lt;Name of the State&gt; GOODS AND SERVICES TAX BILL, 2017</i></b>	
	A  BILL	
	<b><i>to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the State of &lt;Name of the State&gt;.</i></b>	
	<b><i>BE it enacted by Legislature of &lt;Name of the State&gt; in the Sixty-eighth Year of the Republic of India as follows:-</i></b>	
	CHAPTER I PRELIMINARY	
	<b><i>1. (1) This Act may be called the &lt;Name of the State&gt;Goods and Services Tax Act, 2017.</i></b>	<b><i>Short title, extent and commencement.</i></b>
	<b><i>(2) It extends to the whole of the &lt;Name of the State&gt;</i></b>	

	(3) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint:	
	Provided that different dates may be appointed for different provisions of this Act and any reference in any such provisions to the commencement of this Act shall be construed as a reference to the coming into force of that provision.	
	2. In this Act, unless the context otherwise requires,—	Definitions.
4 of 1882.	(1) “actionable claim” shall have the same meaning as assigned to it in section 3 of the Transfer of Property Act, 1882;	
	(2) “address of delivery” means the address of the recipient of goods or services or both indicated on the tax invoice issued by a registered person for delivery of such goods or services or both;	
	(3) “address on record” means the address of the recipient as available in the records of the supplier;	
	(4) “adjudicating authority” means any authority, appointed or authorised competent to pass any order or decision under this Act, but does not include the Commissioner, Revisional Authority, the Authority for Advance Ruling, the Appellate Authority for Advance Ruling, the Appellate Authority and the Appellate Tribunal;	
	(5) “agent” means a person, including a factor, broker, commission agent, <i>arhatia</i> , <i>del credere</i> agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another;	

	(6) “aggregate turnover” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;	
	(7) “agriculturist” means an individual or a Hindu Undivided Family who undertakes cultivation of land— (a) by own labour, or (b) by the labour of family, or (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family;	
	(8) “Appellate Authority” means an Authority appointed or authorised to hear appeals and referred to in section 107;	
	(9) "Appellate Tribunal" means the Goods and Services Tax Appellate Tribunal constituted under section 109;	
	(10) “appointed day” means the date on which the provisions of this Act shall come into force;	
	(11) “assessment” means determination of tax liability under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgement assessment;	
43 of 1961.	(12) "associated enterprises" shall have the same meaning as assigned to it in section 92A of the Income-tax Act, 1961;	

	(13) “audit” means the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder;	
	(14) “authorised bank” shall mean a bank or a branch of a bank authorised by the Central Government to collect the tax or any other amount payable under this Act;	
	(15) “authorised representative” means the representative as referred to under section 116;	
54 of 1963.	(16) “Board” means the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963;	
	(17) “business” includes—	
	(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;	
	(b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);	
	(c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;	
	(d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;	
	(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;	
	(f) admission, for a consideration, of persons to any premises;	



	(g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;	
	(h) services provided by a race club by way of totalisator or a licence to book maker in such club; and	
	(i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities;	
	(18) “business vertical” means a distinguishable component of an enterprise that is engaged in the supply of an individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals.	
	<i>Explanation.</i> —For the purposes of this clause, factors that should be considered in determining whether goods or services are related include—	
	(a) the nature of the goods or services;	
	(b) the nature of the production processes;	
	(c) the type or class of customers for the goods or services;	
	(d) the methods used to distribute the goods or supply of services; and	
	(e) the nature of regulatory environment (wherever applicable), including banking, insurance or public utilities;	
	(19) “capital goods” means goods, the value of which is capitalised in the books of accounts of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business;	

	(20) “casual taxable person” means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in the taxable territory where he has no fixed place of business;	
	(21) “central tax” means the central goods and services tax levied under section 9 <i>of the Central Goods and Services Tax Act</i> ;	
	(22) “cess” shall have the same meaning as assigned to it in the Goods and Services Tax (Compensation to States) Act;	
38 of 1949.	(23) “chartered accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949;	
	(24) <b><i>“Commissioner” means the Commissioner of State tax appointed under section 3;</i></b>	
	(25) “Commissioner in the Board” means the Commissioner referred to in section 168 <i>of the Central Goods and Services Tax Act</i> ;	
	(26) “common portal” means the common goods and services tax electronic portal referred to in section 146;	
	(27) “common working days” shall mean such days in succession which are not declared as gazetted holidays by the Central Government or <i>the Government of &lt;Name of the State&gt;</i> ;	
56 of 1980.	(28) "company secretary" means a company secretary as defined in clause (c ) of sub-section (1) of section 2 of the Company Secretaries Act, 1980;	
	(29) “competent authority” means such authority as may be notified by the Government;	

	(30) “composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;	
	Illustration: Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply.	
	(31) “consideration” in relation to the supply of goods or services or both includes—	
	(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;	
	(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;	
	Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply;	
	(32) “continuous supply of goods” means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify;	

	(33) “continuous supply of services” means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify;	
	(34) “conveyance” includes a vessel, an aircraft and a vehicle;	
23 of 1959.	(35) “cost accountant” means a cost accountant as defined in clause (c) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959;	
	(36) “Council” means the Goods and Services Tax Council established under article 279A of the Constitution;	
	(37) “credit note” means a document issued by a registered person under sub-section (1) of section 34;	
	(38) “debit note” means a document issued by a registered person under sub-section (3) of section 34;	
	(39) “deemed exports” means such supplies of goods as may be notified under section 147;	
	(40) “designated authority” means such authority as may be notified by the Commissioner;	
21 of 2000.	(41) “document” includes written or printed record of any sort and electronic record as defined in the Information Technology Act, 2000;	
	(42) “drawback” in relation to any goods manufactured in India and exported, means the rebate of duty, tax or cess chargeable on any imported inputs or on any domestic inputs or input services used in the manufacture of such goods;	

	(43) “electronic cash ledger” means the electronic cash ledger referred to in sub-section (1) of section 49;	
	(44) “electronic commerce” means the supply of goods or services or both, including digital products over digital or electronic network;	
	(45) “electronic commerce operator” means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce;	
	(46) “electronic credit ledger” means the electronic credit ledger referred to in sub-section (2) of section 49;	
	(47) “exempt supply” means supply of any goods or services or both which attracts nil rate of tax or which may be exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non- taxable supply;	
	(48) “existing law” means any law, notification, order, rule or regulation relating to levy and collection of duty or tax on goods or services or both passed or made before the commencement of this Act by <b><i>the Legislature or any authority or person having the power</i></b> to make such law, notification, order, rule or regulation;	
	(49) “family” means,— (i) the spouse and children of the person, and (ii) the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person;	
	(50) “fixed establishment” means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs;	
	(51) “Fund” means the Consumer Welfare Fund established under section 57;	

	(52) “goods” means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;	
	(53) “Government” means the Government of <i>&lt;Name of the State&gt;</i> ;	
	(54) “Goods and Services Tax (Compensation to States) Act” means the Goods and Services Tax (Compensation to States) Act, 2017;	
	(55) “goods and services tax practitioner” means any person who has been approved under section 48 to act as such practitioner;	
80 of 1976	(56) "India" means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, and the air space above its territory and territorial waters;	
	(57) “Integrated Goods and Services Tax Act” means the Integrated Goods and Services Tax Act, 2017;	
	(58) “integrated tax” means the integrated goods and services tax levied under the Integrated Goods and Services Tax Act;	
	(59) “input” means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business;	
	(60) “input service” means any service used or intended to be used by a supplier in the course or furtherance of business;	

	(61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office;	
	<p>(62) “input tax” in relation to a registered person, means the central tax, State tax, integrated tax or Union territory tax charged on any supply of goods or services or both and includes –</p> <p>(a) the integrated goods and services tax charged on import of goods;</p> <p>(b) the tax payable under the provisions of sub-sections (3) and (4) of section 9;</p> <p>(c) the tax payable under the provisions of sub-section (3) and (4) of section 5 of the Integrated Goods and Services Tax Act; <i>or</i></p> <p><i>(d) the tax payable under the provisions of the Central Goods and Services Tax Act,</i></p> <p>but does not include the tax paid under the composition levy;</p>	
	(63) “input tax credit” means the credit of input tax;	
	(64) “intra-State supply of goods” shall have the meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;	
	(65) “intra-State supply of services” shall have the meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;	
	(66) “invoice” or “tax invoice” means the tax invoice referred to in section 31;	
	(67) “inward supply” in relation to a person, shall mean receipt of goods or services or both whether by purchase, acquisition or any other means, with or without consideration;	

	(68) “job work” means any treatment or process undertaken by a person on goods belonging to another registered person and the expression “job worker” shall be construed accordingly;	
	(69) “local authority” means—	
	(a) a “Panchayat” as defined in clause (d) of article 243 of the Constitution;	
	(b) a “Municipality” as defined in clause (e) of article 243P of the Constitution;	
	(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund;	
41 of 2006.	(d) a Cantonment Board as defined in section 3 of the Cantonments Act, 2006;	
	(e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;	
	(f) a Development Board constituted under article 371 of the Constitution; or	
	(g) a Regional Council constituted under article 371A of the Constitution;	
	(70) “location of the recipient of services” means,- (a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business; (b) where a supply is received at a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment; (c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and (d) in absence of such places, the location of the usual place of residence of the recipient;	



	<p>(71) “location of the supplier of services” means,-</p> <p>(a) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;</p> <p>(b) where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;</p> <p>(c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provisions of the supply; and</p> <p>(d) in absence of such places, the location of the usual place of residence of the supplier;</p>	
	<p>(72) “manufacture” means processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term “manufacturer” shall be construed accordingly;</p>	
	<p>(73) “market value” shall mean the full amount which a recipient of a supply is required to pay in order to obtain the goods or services or both of like kind and quality at or about the same time and at the same commercial level where the recipient and the supplier are not related;</p>	
	<p>(74) “mixed supply” means two or more individual supplies of taxable goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.</p>	
	<p>Illustration : A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately;</p>	

	(75) “money” means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognized by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value;	
59 of 1988.	(76) “motor vehicle” shall have the same meaning as assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988;	
	(77) “non-resident taxable person” means any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India;	
	(78) “non-taxable supply” means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act or under the Union Territory Goods and Services Tax Act;	
	(79) “non-taxable territory” means the territory which is outside the taxable territory;	
	(80) “notification” means a notification published in the Official Gazette and the expressions ‘notify’ and ‘notified’ shall be construed accordingly;	
	(81) “other territory” includes territories other than those comprising in a State and those referred to in sub-clauses (a) to (e) of clause (114);	
	(82) “output tax” in relation to a taxable person, means the tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;	

	(83) “outward supply” in relation to a taxable person, means supply of goods or services or both, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business;	
	(84) “person” includes—	
	(a) an individual;	
	(b) a Hindu undivided family;	
	(c) a company;	
	(d) a firm;	
	(e) a Limited Liability Partnership;	
	(f) an association of persons or a body of individuals, whether incorporated or not, in India or outside India;	
18 of 2013.	(g) any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013;	
	(h) any body corporate incorporated by or under the laws of a country outside India;	
	(i) a co-operative society registered under any law relating to cooperative societies;	
	(j) a local authority;	
	(k) Central Government or a State Government;	
21 of 1860.	(l) society as defined under the Societies Registration Act, 1860;	
	(m) trust; and	
	(n) every artificial juridical person, not falling within any of the above;	

	(85) “place of business” includes—	
	(a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or	
	(b) a place where a taxable person maintains his books of account; or	
	(c) a place where a taxable person is engaged in business through an agent, by whatever name called;	
	(86) “place of supply” means the place of supply as referred to in Chapter V of the Integrated Goods and Services Tax Act;	
	(87) “prescribed” means prescribed by rules made under this Act on the recommendations of the Council;	
	(88) “principal” means a person on whose behalf an agent carries on the business of supply or receipt of goods or services or both;	
	(89) “principal place of business” means the place of business specified as the principal place of business in the certificate of registration;	
	(90) “principal supply” means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary;	
	(91) “proper officer” in relation to any function to be performed under this Act, means the Commissioner or the officer of the <i>State</i> tax who is assigned that function by the Commissioner;	
	(92) “quarter” shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year;	

	(93) “recipient” of supply of goods or services or both, means—	
	(a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;	
	(b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and	
	(c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,  and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied;	
	(94) “registered person” means a person who is registered under section 25 but does not include a person having a Unique Identity Number.	
	(95) “regulations” means the regulations made by the <b>Commissioner</b> under this Act on the recommendations of the Council;	
	(96) “removal” in relation to goods, means -	
	(a) despatch of the goods for delivery by the supplier thereof or by any other person acting on behalf of such supplier; or	
	(b) collection of the goods by the recipient thereof or by any other person acting on behalf of such recipient;	
	(97) “return” means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder;	

	(98) “reverse charge” means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act;	
	(99) “Revisional Authority” means an authority appointed or authorised under this Act for revision of decision or orders referred to in section 108;	
	(100) “Schedule” means a Schedule appended to this Act;	
42 of 1956.	(101) “securities” shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 ;	
	(102) “services” means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;	
	(103) “State” means the State of <Name of State>;  <b><i>“State” means the Union Territory of &lt;National Capital Territory of Delhi/Puducherry&gt;</i></b>	
	(104) “State tax” means the tax levied under this Act;	
	(105) “supplier” in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied;	
	(106) “tax period” means the period for which the return is required to be furnished;	

	(107) “taxable person” means a person who is registered or liable to be registered under section 22 or section 24;	
	(108) “taxable supply” means a supply of goods or services or both which is leviable to tax under this Act;	
	(109) “taxable territory” means the territory to which the provisions of this Act apply;	
	(110) “telecommunication service” means service of any description (including electronic mail, voice mail, data services, audio text services, video text services, radio paging and cellular mobile telephone services) which is made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature, by wire, radio, visual or other electro-magnetic means;	
	(111) “the Central Goods and Services Tax Act” means the Central Goods and Services Tax Act, 2017;	
	(112) “turnover in State” or “turnover in Union territory” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes central tax, State tax, Union territory tax, integrated tax and cess;	
	(113) “usual place of residence” means—	
	(a) in case of an individual, the place where he ordinarily resides;	
	(b) in other cases, the place where the person is incorporated or otherwise legally constituted;	

	<p>(114) “Union territory” means</p> <ul style="list-style-type: none"> <li>(a) The Andaman and Nicobar Islands;</li> <li>(b) Lakshadweep;</li> <li>(c) Dadra and Nagar Haveli;</li> <li>(d) Daman and Diu;</li> <li>(e) Chandigarh; and</li> <li>(f) Other territory;</li> </ul>	
	(115) “Union territory tax” means the Union territory goods and services tax levied under the Union Territory Goods and Services Tax Act;	
	(116) “Union Territory Goods and Services Tax Act” means the Union Territory Goods and Services Tax Act, 2017;	
	(117) “valid return” means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full;	
	(118) “voucher” means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services and where the goods or services to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument;	
	(119) “works contract” means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods is involved in the execution of such contract;	
	(120) words and expressions used and not defined in this Act but defined in the Integrated Goods and Services Tax Act, the Central Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meanings as assigned to them in those Acts.	



	CHAPTER II ADMINISTRATION	
	3. The Government shall, by notification, specify the following classes of officers for the purposes of this Act, namely:—	Officers under this Act.
<i>List is indicative</i>	<p>(a) <i>[Principal/Chief] Commissioner of State tax,</i></p> <p>(b) <i>Special Commissioners of State tax,</i></p> <p>(c) <i>Additional Commissioners of State tax,</i></p> <p>(d) <i>Joint Commissioners of State tax,</i></p> <p>(e) <i>Deputy Commissioners of State tax,</i></p> <p>(f) <i>Assistant Commissioners of State tax, and</i></p> <p>(g) <i>any other class of officers as it may deem fit:</i></p>	
-- of --	<i>Provided that, the officers appointed under the &lt;Name of the State&gt; Value Added Tax Act, ---- shall be deemed to be the officers appointed under the provisions of this Act.</i>	
	4. (1) <i>The Government may, in addition to the officers as may be notified by the Government under section 3, appoint such persons as it may think fit to be the officers under this Act.</i>	<i>Appointment of officers.</i>
	(2) The Commissioner shall have jurisdiction over the whole of the State, the Special Commissioner and an Additional Commissioner in respect of all or any of the functions assigned to them, shall have jurisdiction over the whole of the State or where the State Government so directs, over any local area thereof, and all other officers shall, subject to such conditions as may be specified, have jurisdiction over the whole of the State or over such local areas as the Commissioner may, by order, specify.	
	5. (1) Subject to such conditions and limitations as the <b>Commissioner</b> may impose, an officer of <b>State</b> tax may exercise the powers and discharge the duties conferred or imposed on him under this Act.	Powers of officers.

	(2) An officer of <b><i>State</i></b> tax may exercise the powers and discharge the duties conferred or imposed under this Act on any other officer of <b><i>State</i></b> tax who is subordinate to him.	
	(3) The Commissioner may, subject to such conditions and limitations as may be specified in this behalf by him, delegate his powers to any other officer subordinate to him.	
	(4) Notwithstanding anything contained in this section, an Appellate Authority shall not exercise the powers and discharge the duties conferred or imposed on any other officer of <b><i>State</i></b> tax.	
	6. <b><i>(1) Without prejudice to the provisions of this Act, the officers appointed under the Central Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify.</i></b>	<b><i>Authorisation of officers of central tax as proper officer in certain circumstances.</i></b>
	(2) <b><i>Subject to the conditions specified in the notification issued under sub-section (1),-</i></b>	
	(a) where any proper officer issues an order under this Act, he shall also issue an order under the Central Goods and Services Tax Act, as authorised by the said Act under intimation to the jurisdictional officer of central tax;	
	(b) where a proper officer under the Central Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.	
	(3) Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act, shall not lie before an officer appointed under the Central Goods and Services Tax Act.	
	<b>CHAPTER III LEVY AND COLLECTION OF TAX</b>	
	7. (1) For the purposes of this Act, the expression “supply” includes—	Scope of supply.

	(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;	
	(b) import of services for a consideration whether or not in the course or furtherance of business;	
	(c) the activities specified in Schedule I, made or agreed to be made without a consideration; and	
	(d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II.	
	(2) Notwithstanding anything contained in sub-section (1),—	
	(a) activities or transactions specified in Schedule III; or	
	(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council,	
	shall be treated neither as a supply of goods nor a supply of services.	
	(3) Subject to the provisions of sub-sections (1) and (2), the Government may, on the recommendations of the Council, specify, by notification, the transactions that are to be treated as—	
	(a) a supply of goods and not as a supply of services; or	
	(b) a supply of services and not as a supply of goods.	
	8. The tax liability on a composite or a mixed supply shall be determined in the following manner, namely: —	Tax liability on composite and mixed supplies.
	(a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and	

	(b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.	
	9. (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the <i>&lt;Name of the State&gt;</i> goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15, and at such rates, not exceeding twenty per cent., as may be notified by the Government, on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.	Levy and Collection.
	(2) The <i>State</i> tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel, shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council.	
	(3) The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.	
	(4) The State tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.	

	(5) The Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:	
	Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:	
	Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.	
	10. (1) Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed fifty lakh rupees may opt to pay, in lieu of the tax payable by him, an amount calculated at such rate as may be prescribed, but not exceeding,--	Composition levy.
	<i>(a) one per cent. of the turnover in State in case of a manufacturer,</i>	
	<i>(b) two and a half per cent. of the turnover in State in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II, and</i>	
	<i>(c) half per cent. of the turnover in State in case of other suppliers,</i>	
	subject to such conditions and restrictions as may be prescribed:	
	Provided that the Government may, by notification, increase the said limit of fifty lakh rupees to such higher amount, not exceeding one crore rupees, as may be recommended by the Council.	

	(2) The registered person shall be eligible to opt under sub-section (1), if—	
	(a) he is not engaged in the supply of services other than supplies referred to in clause (b) of paragraph 6 of Schedule II;	
	(b) he is not engaged in making any supply of goods which are not leviable to tax under this Act;	
	(c) he is not engaged in making any inter-State outward supplies of goods;	
	(d) he is not engaged in making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52; and	
	(e) he is not a manufacturer of such goods as may be notified on the recommendations of the Council:	
43 of 1961	Provided that where more than one registered person are having the same Permanent Account Number (issued under the Income-tax Act 1961), the registered person shall not be eligible to opt for the scheme under sub-section (1) unless all such registered persons opt to pay tax under that sub-section.	
	(3) The option availed of by a registered person under sub-section (1) shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the limit specified under sub-section (1).	
	(4) A taxable person to whom the provisions of sub-section (1) apply shall not collect any tax from the recipient on supplies made by him nor shall he be entitled to any credit of input tax.	

	(5) If the proper officer has reasons to believe that a taxable person has paid tax under sub-section (1) despite not being eligible, such person shall, in addition to any tax that may be payable by him under any other provisions of this Act, be liable to a penalty and the provisions of section 73 or section 74 shall, <i>mutatis mutandis</i> , apply for determination of tax and penalty.	
	11. (1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.	Power to grant exemption from tax.
	(2) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.	
	(3) The Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under sub-section (1) or order issued under sub-section (2), insert an explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be.	
	(4) Any notification issued by the Central Government, on the recommendations of the Council, under sub-section (1) of section 11 of the Central Goods and Services Tax Act shall be deemed to be a notification issued under this Act.	
	Explanation.—For the purposes of this section, where an exemption in respect of any goods or services or both	

	from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.	
	<b>CHAPTER IV TIME AND VALUE OF SUPPLY</b>	
	12. (1) The liability to pay tax on goods shall arise at the time of supply, as determined in terms of the provisions of this section.	Time of supply of goods.
	(2) The time of supply of goods shall be the earlier of the following dates, namely:-	
	(a) the date of issue of invoice by the supplier or the last date on which he is required, under section 31, to issue the invoice with respect to the supply; or	
	(b) the date on which the supplier receives the payment with respect to the supply:	
	Provided that where the supplier of taxable goods receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice in respect of such excess amount.	
	<i>Explanation 1.</i> —For the purposes of clauses (a) and (b), “supply” shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.	
	<i>Explanation 2.</i> —For the purposes of clause (b), “the date on which the supplier receives the payment” shall be the date on which the payment is entered in his books of account or the date on which the payment is credited to his bank account, whichever is earlier.	



	(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates, namely:—	
	(a) the date of the receipt of goods; or	
	(b) the date of payment as is entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or	
	(c) the date immediately following thirty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:	
	Provided that where it is not possible to determine the time of supply under clause (a), clause (b) or clause (c), the time of supply shall be the date of entry in the books of account of the recipient of supply.	
	(4) In case of supply of vouchers by a supplier, the time of supply shall be-	
	(a) the date of issue of voucher, if the supply is identifiable at that point; or	
	(b) the date of redemption of voucher, in all other cases.	
	(5) Where it is not possible to determine the time of supply under the provisions of sub-section (2), sub-section (3) or sub-section (4), the time of supply shall—	
	(a) in a case where a periodical return has to be filed, be the date on which such return is to be filed, or	
	(b) in any other case, be the date on which the tax is paid.	

	(6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.	
	13. (1) The liability to pay tax on services shall arise at the time of supply, as determined in terms of the provisions of this section.	Time of supply of services.
	(2) The time of supply of services shall be the earliest of the following dates, namely:—	
	(a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or	
	(b) the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or	
	(c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply:	
	Provided that where the supplier of taxable service receives an amount upto one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice relating to such excess amount.	
	<i>Explanation .—</i> For the purposes of clauses (a) and (b)-	
	(i) the supply shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment;	
	(ii) “the date of receipt of payment” shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.	

	(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely:—	
	(a) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or	
	(b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:	
	Provided that where it is not possible to determine the time of supply under clause (a) or clause (b), the time of supply shall be the date of entry in the books of account of the recipient of supply:	
	Provided further that in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier.	
	(4) In case of supply of vouchers, by a supplier, the time of supply shall be—	
	(a) the date of issue of voucher, if the supply is identifiable at that point; or	
	(b) the date of redemption of voucher, in all other cases;	
	(5) Where it is not possible to determine the time of supply of services in the manner specified in sub-section (2), sub-section (3) or sub-section (4), the time of supply shall—	
	(a) in a case where a periodical return has to be filed, be the date on which such return is to be filed; or	
	(b) in any other case, be the date on which the tax is paid.	

	(6) The time of supply to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration shall be the date on which the supplier receives such addition in value.	
	14. Notwithstanding anything contained in section 12 or section 13, the time of supply, where there is a change in the rate of tax in respect of goods or services or both, shall be determined in the following manner, namely:—	Change in rate of tax in respect of supply of goods or services.
	(a) in case the goods or services or both have been supplied before the change in rate of tax,—	
	(i) where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or	
	(ii) where the invoice has been issued prior to the change in rate of tax but payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or	
	(iii) where the payment has been received before the change in rate of tax, but the invoice for the same is issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;	
	(b) in case the goods or services or both have been supplied after the change in rate of tax,—	
	(i) where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or	
	(ii) where the invoice has been issued and payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier; or	

	(iii) where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice:	
	Provided that the date of receipt of payment shall be the date of credit in the bank account if such credit in the bank account is after four working days from the date of change in the rate of tax.	
	<i>Explanation.</i> —For the purposes of this section, “the date of receipt of payment” shall be the date on which the payment is entered in the books of accounts of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.	
	15. (1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.	Value of taxable supply.
	(2) The value of supply shall include—	
	(a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the <b>Central</b> Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier;	
	(b) any amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both;	
	(c) incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply, any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services;	
	(d) interest or late fee or penalty for delayed payment of any consideration for any supply; and	

	(e) subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.	
	<i>Explanation.</i> —For the purposes of this sub-section, the amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.	
	(3) The value of the supply shall not include any discount which is given—	
	(a) before or at the time of the supply if such discount has been duly recorded in the invoice issued in respect of such supply; and	
	(b) after the supply has been effected, if -	
	(i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and	
	(ii) input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.	
	(4) Where the value of the supply of goods or services or both cannot be determined under sub-section (1), the same shall be determined in such manner as may be prescribed.	
	(5) Notwithstanding anything contained in sub-section (1) or sub-section (4), the value of such supplies as may be notified by the Government on the recommendations of the Council shall be determined in such manner as may be prescribed.	
	<i>Explanation.</i> - For the purposes of this Act,- (a) persons shall be deemed to be “related persons” if -	

	<ul style="list-style-type: none"> <li>i. such persons are officers or directors of one another's businesses;</li> <li>ii. such persons are legally recognized partners in business;</li> <li>iii. such persons are employer and employee;</li> <li>iv. any person directly or indirectly owns, controls or holds twenty five per cent or more of the outstanding voting stock or shares of both of them;</li> <li>v. one of them directly or indirectly controls the other;</li> <li>vi. both of them are directly or indirectly controlled by a third person;</li> <li>vii. together they directly or indirectly control a third person; or</li> <li>viii. they are members of the same family;</li> </ul> <p>(b) the term "person" also includes legal persons.</p> <p>(c) persons who are associated in the business of one another in that one is the sole agent or sole distributor or sole concessionaire, howsoever described, of the other, shall be deemed to be related.</p>	
	<p><b>CHAPTER V</b></p> <p><b>INPUT TAX CREDIT</b></p>	
.	<p>16. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.</p>	Eligibility and conditions for taking input tax credit.
	<p>(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—</p>	

	(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;	
	(b) he has received the goods or services or both.	
	<i>Explanation.</i> —For the purpose of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;	
	(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of the said supply; and	
	(d) he has furnished the return under section 39:	
	Provided that where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit upon receipt of the last lot or instalment:	
	Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed:	
	Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.	



43 of 1961.	(3) Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income-tax Act, 1961, the input tax credit on the said tax component shall not be allowed.	
	(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.	
	17. (1) Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.	Apportionment of credit and blocked credits.
	(2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.	
	(3) The value of exempt supply under sub-section (2), shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis, transactions in securities, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building;	

	(4) A banking company or a financial institution including a non-banking financial company, engaged in supplying services by way of accepting deposits, extending loans or advances shall have the option to either comply with the provisions of sub-section (2), or avail of, every month, an amount equal to fifty per cent. of the eligible input tax credit on inputs, capital goods and input services in that month and the rest shall lapse:	
	Provided that the option once exercised shall not be withdrawn during the remaining part of the financial year:	
	Provided further that the restriction of fifty per cent. shall not apply to the tax paid on supplies made by one registered person to another registered person having the same Permanent Account Number.	
	(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:-	
	(a) motor vehicles and other conveyances except when they are used—	
	(i) for making the following taxable supplies, namely:—	
	(A) further supply of such vehicles or conveyances ; or	
	(B) transportation of passengers; or	
	(C) imparting training on driving, flying, navigating such vehicles or conveyances;	
	(ii) for transportation of goods;	
	(b) the following supply of goods or services or both:-	
	(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and	

	plastic surgery except where an inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;	
	(ii) membership of a club, health and fitness centre;	
	(iii) rent-a-cab, life insurance and health insurance except where - (A) the Government notifies the services which are obligatory for an employer to provide to its employees under any law for the time being in force; or (B) such inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as part of a taxable composite or mixed supply; and	
	(iv) travel benefits extended to employees on vacation such as leave or home travel concession.	
	(c) works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service;	
	(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.	
	<i>Explanation.</i> —For the purposes of clauses (c) and (d), the expression “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property;	
	(e) goods or services or both on which tax has been paid under section 10;	

	(f) goods or services or both received by a non-resident taxable person except on goods imported by him;	
	(g) goods or services or both used for personal consumption;	
	(h) goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples; and	
	(i) any tax paid in terms of sections 74, 129 and 130.	
	(6) The Government may prescribe the manner in which the credit referred to in sub-sections (1) and (2) may be attributed.	
	<i>Explanation.</i> — For the purposes of this Chapter and Chapter VI, the expression “plant and machinery” means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes— (i) land, building or any other civil structures; (ii) telecommunication towers; and (iii) pipelines laid outside the factory premises.	
	18. (1) Subject to such conditions and restrictions as may be prescribed—	Availability of credit in special circumstances.
	(a) a person who has applied for registration under this Act within thirty days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act;	
	(b) a person who takes registration under sub-section (3) of section 25 shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration;	

	(c) where any registered person ceases to pay tax under section 10, he shall be entitled to take credit of input tax in respect of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods on the day immediately preceding the date from which he becomes liable to pay tax under section 9:	
	Provided that the credit on capital goods shall be reduced by such percentage points as may be prescribed;	
	(d) where an exempt supply of goods or services or both by a registered person becomes a taxable supply, such person shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock relatable to such exempt supply and on capital goods exclusively used for such exempt supply on the day immediately preceding the date from which such supply becomes taxable:	
	Provided that the credit on capital goods shall be reduced by such percentage points as may be prescribed.	
	(2) A registered person shall not be entitled to take input tax credit under sub-section (1) in respect of any supply of goods or services or both to him after the expiry of one year from the date of issue of tax invoice relating to such supply.	
	(3) Where there is a change in the constitution of a registered person on account of sale, merger, demerger, amalgamation, lease or transfer of the business with the specific provisions for transfer of liabilities, the said registered person shall be allowed to transfer the input tax credit which remains unutilised in his electronic credit ledger to such sold, merged, demerged, amalgamated, leased or transferred business in such manner as may be prescribed.	

	(4) Where any registered person who has availed of input tax credit opts to pay tax under section 10 or, where the goods or services or both supplied by him become exempt absolutely, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods, reduced by such per cent points as may be prescribed, on the day immediately preceding the date of exercising of such option or, as the case may be, the date of such exemption:	
	Provided that after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.	
	(5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.	
	(6) In case of supply of capital goods or plant and machinery, on which input tax credit has been taken, the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher:	
	Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.	
	19. (1) The principal shall, subject to such conditions and restrictions as may be prescribed, be allowed input tax credit on inputs sent to a job-worker for job-work.	Taking input tax credit in respect of inputs sent for job work.

	(2) Notwithstanding anything contained in clause (b) of sub-section (2) of section 16, the principal shall be entitled to take credit of input tax on inputs even if the inputs are directly sent to a job worker for job-work without being first brought to his place of business.	
	(3) Where the inputs sent for job work are not received back by the principal after completion of job-work or otherwise or are not supplied from the place of business of the job worker in accordance with clause (a) or clause (b) of sub-section (1) of section 143 within one year of being sent out, it shall be deemed that such inputs had been supplied by the principal to the job-worker on the day when the said inputs were sent out:	
	Provided that where the inputs are sent directly to a job worker, the period of one year shall be counted from the date of receipt of inputs by the job worker.	
	(4) The principal shall, subject to such conditions and restrictions as may be prescribed, be allowed input tax credit on capital goods sent to a job worker for job work.	
	(5) Notwithstanding anything contained in clause (b) of sub-section (2) of section 16, the principal shall be entitled to take credit of input tax on capital goods even if the capital goods are directly sent to a job worker for job-work without being first brought to his place of business.	
	(6) Where the capital goods sent for job work are not received back by the principal within a period of three years of being sent out, it shall be deemed that such capital goods had been supplied by the principal to the job worker on the day when the said capital goods were sent out:	
	Provided that where the capital goods are sent directly to a job worker, the period of three years shall be counted from the date of receipt of capital goods by the job worker.	

	(7) Nothing contained in sub-section (3) or sub-section (6) shall apply to moulds and dies, jigs and fixtures, or tools sent out to a job worker for job work.	
	<i>Explanation.-</i> For the purpose of this section, “principal” means the person referred to in section 143.	
	20. (1) The Input Service Distributor shall distribute the credit of <i>State</i> tax as <i>State</i> tax or integrated tax and integrated tax as integrated tax or <i>State</i> tax, by way of issue of document containing the amount of input tax credit being distributed in such manner as may be prescribed.	Manner of distribution of credit by Input Service Distributor.
	(2) The Input Service Distributor may distribute the credit subject to the following conditions, namely:—	
	(a) the credit can be distributed to the recipients of credit against a document containing such details as may be prescribed;	
	(b) the amount of the credit distributed shall not exceed the amount of credit available for distribution;	
	(c) the credit of tax paid on input services attributable to a recipient of credit shall be distributed only to that recipient;	
	(d) the credit of tax paid on input services attributable to more than one recipient of credit shall be distributed amongst such recipients to whom the input service is attributable and such distribution shall be <i>pro rata</i> on the basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all such recipients to whom such input service is attributable and which are operational in the current year, during the said relevant period;	
	(e) the credit of tax paid on input services attributable to all recipients of credit shall be distributed amongst such recipients and such distribution shall be <i>pro rata</i> on the basis of the	



	turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all recipients and which are operational in the current year, during the said relevant period.	
	<i>Explanation</i> —For the purposes of this section,—	
	(a) the “relevant period” shall be—	
	(i) if the recipients of credit have turnover in their States or Union territories in the financial year preceding the year during which credit is to be distributed, the said financial year; or	
	(ii) if some or all recipients of the credit do not have any turnover in their States or Union territories in the financial year preceding the year during which the credit is to be distributed, the last quarter for which details of such turnover of all the recipients are available, previous to the month during which credit is to be distributed;	
	(b) the expression “recipient of credit” means the supplier of goods or services or both having the same Permanent Account Number as that of the Input Service Distributor;	
	(c) the term ‘turnover’ in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means value of turnover, reduced by the amount of any duty or tax levied under entry 84 of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule.	
	21. Where the Input Service Distributor distributes the credit in contravention of the provisions contained in	Manner of recovery of credit

	section 20 resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from such recipients along with interest, and the provisions of section 73 or section 74, as the case may be, shall <i>mutatis mutandis</i> apply for determination of amount to be recovered.	distributed in excess.
	CHAPTER - VI REGISTRATION	
	<b><i>22. (1) Every supplier making a taxable supply of goods or services or both in the State shall be liable to be registered under this Act if his aggregate turnover in a financial year exceeds twenty lakh rupees:</i></b>	<b><i>Persons liable for registration.</i></b>
	Provided that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lakh rupees.	
	<b><i>Every supplier making a taxable supply of goods or services or both in the State, shall be liable to be registered under this Act if his aggregate turnover in a financial year exceeds ten lakh rupees.</i></b>	<b><i>Only in SGST Law for special category States without the proviso</i></b>
	(2) Every person who, on the day immediately preceding the appointed day, is registered or holds a license under an existing law, shall be liable to be registered under this Act with effect from the appointed day.	
	(3) Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.	

	(4) Notwithstanding anything contained in sub-sections (1) and (3), in a case of transfer pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, de-merger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court.	
	<i>Explanation.</i> —For the purposes of this section,—	
	(i) the expression aggregate turnover shall include all supplies made by the taxable person, whether on his own account or made on behalf of all his principals;	
	(ii) the supply of goods, after completion of job-work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of such goods shall not be included in the aggregate turnover of the registered job worker.	
	(iii) the expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution.	
	23. (1) The following persons shall not be liable to registration, namely:—	Persons not liable for registration.
	(a) any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax under this Act or under the Integrated Goods and Services Tax Act;	
	(b) an agriculturist, to the extent of supply of produce out of cultivation of land.	
	(2) The Government may, on the recommendations of the Council, by notification, specify the category of persons who may be exempted from obtaining registration under this Act.	
	24. Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons undertaking taxable supplies shall be required to be registered under this Act,-	Compulsory registration in certain cases.
	(i) persons making any inter-State taxable supply;	
	(ii) casual taxable persons;	

	(iii) persons who are required to pay tax under reverse charge;	
	(iv) person who are required to pay tax under sub-section (5) of section 9;	
	(v) non-resident taxable persons;	
	(vi) persons who are required to deduct tax under section 51, whether or not separately registered under this Act;	
	(vii) persons who supply goods or services or both on behalf of other taxable persons whether as an agent or otherwise;	
	(viii) input service distributor, whether or not separately registered under this Act;	
	(ix) persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;	
	(x) every electronic commerce operator;	
	(xi) every person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person; and	
	(xii) such other person or class of persons as may be notified by the Government on the recommendations of the Council.	
	<b><i>25. (1) Every person who is liable to be registered under section 22 or section 24 shall apply for registration within thirty days from the date on which he becomes liable to registration, in such manner and subject to such conditions as may be prescribed:</i></b>	<b><i>Procedure for Registration.</i></b>
	Provided that a casual taxable person or a non-resident taxable person shall apply for registration at least five days prior to the commencement of business.	
	<b><i>Explanation.- Every person who makes a supply from the territorial waters of India shall obtain</i></b>	

	<i>registration in the coastal State where the nearest point of the appropriate baseline is located.</i>	
	(2) A person seeking registration under this Act shall be granted a single registration:	
	Provided that a person having multiple business verticals in <i>the</i> State may be granted a separate registration for each business vertical, subject to such conditions as may be prescribed.	
	(3) A person, though not liable to be registered under section 22 or section 24 may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered person, shall apply to such person.	
	(4) A person who has obtained or is required to obtain more than one registration, whether in one State or Union Territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.	
	(5) Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.	
43 of 1961.	(6) Every person shall have a Permanent Account Number issued under the Income-tax Act, 1961 in order to be eligible for grant of registration:	
	Provided that a person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number issued under the said Act in order to be eligible for grant of registration.	
	(7) Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of such other documents as may be prescribed.	

	(8) Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under this Act, or under any other law for the time being in force, proceed to register such person in such manner as may be prescribed.	
	(9) Notwithstanding anything contained in sub-section (1),—	
46 of 1947.	(a) any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries; and	
	(b) any other person or class of persons, as may be notified by the Commissioner,	
	shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed.	
	(10) The registration or the Unique Identity Number shall be granted or rejected after due verification in such manner and within such period as may be prescribed.	
	(11) A certificate of registration shall be issued in such form and with effect from such date, as may be prescribed.	
	(12) A registration or an Unique Identity Number shall be deemed to have been granted after the expiry of the period prescribed under sub-section (10), if no deficiency has been communicated to the applicant within that period.	
	26. (1) The grant of registration or the Unique Identity Number under the <b>Central</b> Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique Identity Number has not been rejected	Deemed Registration.

	under this Act within the time specified in sub-section (10) of section 25.	
	(2) Notwithstanding anything contained in sub-section (10) of section 25, any rejection of application for registration or the Unique Identity Number under the <b>Central</b> Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.	
	27. (1) The certificate of registration issued to a casual taxable person or a non-resident taxable person shall be valid for a period specified in the application for registration or ninety days from the effective date of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration:	Special provisions relating to casual taxable person and non-resident taxable person.
	Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of ninety days by a further period not exceeding ninety days.	
	(2) A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (1) of section 25, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought:	
	Provided that where any extension of time is sought under sub-section (1), such taxable person shall deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.	
	(3) The amount deposited under sub-section (2) shall be credited to the electronic cash ledger of such person and shall be utilised in the manner provided under section 49.	
	28. (1) Every registered person and a person to whom a Unique Identity Number has been assigned shall inform the proper officer of any changes in the information furnished at the time of registration or	Amendment of registration.

	subsequent thereto, in such form, manner and within such period as may be prescribed.	
	(2) The proper officer may, on the basis of information furnished under sub-section (1) or as ascertained by him, approve or reject amendments in the registration particulars in such manner and within such period as may be prescribed:	
	Provided that approval of the proper officer shall not be required in respect of amendment of such particulars as may be prescribed:	
	Provided further that the proper officer shall not reject the application for amendment in the registration particulars without giving the person an opportunity of being heard.	
	(3) Any rejection or approval of amendments under the <b>Central</b> Goods and Services Tax Act shall be deemed to be a rejection or approval under this Act.	
	29. (1) The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where,—	Cancellation of registration.
	(a) the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or	
	(b) there is any change in the constitution of the business; or	
	(c) the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24.	



	(2) The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,—	
	(a) the registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or	
	(b) a person paying tax under section 10 has not furnished returns for three consecutive tax periods; or	
	(c) any person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months; or	
	(d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or	
	(e) registration has been obtained by means of fraud, wilful misstatement or suppression of facts:	
	Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.	
	(3) The cancellation of registration under this section shall not affect the liability of the taxable person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.	
	(4) The cancellation of registration under the <b><i>Central</i></b> Goods and Services Tax Act shall be deemed to be a cancellation of registration under this Act.	

	(5) Every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, calculated in such manner as may be prescribed:	
	Provided that in case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.	
	(6) The amount payable under sub-section (5) shall be calculated in such manner as may be prescribed.	
	30. (1) Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in the prescribed manner within thirty days from the date of service of the cancellation order.	Revocation of cancellation of registration.
	(2) The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application:	
	Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.	
	(3) The revocation of cancellation of registration under the <b>Central</b> Goods and Services Tax Act shall be deemed to be a revocation of cancellation of registration under this Act.	

	<b>CHAPTER- VII</b> <b>TAX INVOICE, CREDIT AND DEBIT NOTES</b>	
	31. (1) A registered person supplying taxable goods shall, before or at the time of,—	Tax invoice.
	(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or	
	(b) delivery of goods or making available thereof to the recipient, in any other case,	
	issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed:	
	Provided that the Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed.	
	(2) A registered person supplying taxable services shall, before or after the provision of service but within a period prescribed, issue a tax invoice, showing the description, value, tax charged thereon and such other particulars as may be prescribed:	
	Provided that the Government may, on the recommendations of the Council, by notification and subject to the conditions mentioned therein, specify the categories of services in respect of which—	
	(a) any other document issued in relation to the supply shall be deemed to be a tax invoice; or	
	(b) tax invoice may not be required to be issued.	
	(3) Notwithstanding anything contained in sub-sections (1) and (2)—	
	(a) a registered person may, within one month from the date of issuance of certificate of registration and in such manner as may be prescribed, issue a revised invoice against the invoice already issued	

	during the period beginning with the effective date of registration till the date of issuance of certificate of registration to him;	
	(b) a registered person may not issue a tax invoice if the value of the goods or services or both supplied is less than two hundred rupees subject to such conditions and in such manner as may be prescribed;	
	(c) a registered person supplying exempted goods or services or both or paying tax under the provisions of section 10 shall issue, instead of a tax invoice, a bill of supply containing such particulars and in such manner as may be prescribed:	
	Provided that the registered person may not issue a bill of supply if the value of the goods or services or both supplied is less than two hundred rupees subject to such conditions and in such manner as may be prescribed;	
	(d) a registered person shall, on receipt of advance payment with respect to any supply of goods or services or both , issue a receipt voucher or any other document, containing such particulars as may be prescribed, evidencing receipt of such payment;	
	(e) where, on receipt of advance with respect to any supply of goods or services or both the registered person issues a receipt voucher, but subsequently no supply is made and no tax invoice is issued in pursuance thereof, the said registered person may issue to the person who had made the payment, a refund voucher against such payment;	
	(f) a registered person who is liable to pay tax under sub-section (4) of section 9 shall issue an invoice in respect of goods or services or both received by him on the date of receipt of goods or services or both;	
	(g) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier who is not registered under the Act.	

	(4) In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statement is issued or, as the case may be, each such payment is received.	
	(5) Subject to the provisions of clause (d) of subsection (3), in case of continuous supply of services,—	
	(a) where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;	
	(b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment;	
	(c) where the payment is linked to the completion of an event, the invoice shall be issued on or before the date of completion of that event .	
	(6) In a case where the supply of services ceases under a contract before the completion of the supply, the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of the supply effected before such cessation.	
	(7) Notwithstanding anything contained in subsection (1), where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or six months from the date of removal, whichever is earlier.	
	<i>Explanation.</i> —For the purposes of this section, the expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier.	
	32. (1) A person who is not a registered person shall not collect in respect of any supply of goods or services or both any amount by way of tax under this Act.	Prohibition on unauthorised collection of tax

	(2) No registered person shall collect tax except in accordance with the provisions of this Act or the rules made thereunder.	
	33. Notwithstanding anything contained in this Act or any other law for the time being in force, where any supply is made for a consideration, every person who is liable to pay tax for such supply shall prominently indicate in all documents relating to assessment, tax invoice and other like documents, the amount of tax which shall form part of the price at which such supply is made.	Amount of tax to be indicated in tax invoice and other documents.
	34. (1) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient a credit note containing such particulars as may be prescribed.	Credit and debit notes.
	(2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of filing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:	
	Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.	

	(3) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient a debit note containing such particulars as may be prescribed.	
	(4) Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted in such manner as may be prescribed.	
	<i>Explanation.</i> —For the purposes of this Act, the expression “debit note” shall include a supplementary invoice.	
	<b>CHAPTER VIII ACCOUNTS AND RECORDS</b>	
	35. (1) Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of- (a) production or manufacture of goods; (b) inward or outward supply of goods or services or both; (c) stock of goods; (d) input tax credit availed; (e) output tax payable and paid; and (f) such other particulars as may be prescribed:	Accounts and other records.
	Provided that where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business:	
	Provided further that the registered person may keep and maintain such accounts and other particulars in electronic form in such manner as may be prescribed.	

	(2) Every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of such goods as may be prescribed.	
	(3) The Commissioner may notify a class of taxable persons to maintain additional accounts or documents for such purpose as may be specified therein.	
	(4) Where the Commissioner considers that any class of taxable persons is not in a position to keep and maintain accounts in accordance with the provisions of this section, he may, for reasons to be recorded in writing, permit such class of taxable persons to maintain accounts in such manner as may be prescribed.	
	(5) Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.	
	(6) Subject to the provisions of clause (h) of sub-section (5) of section 17, where the registered person fails to account for the goods or services or both in accordance with sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74, as the case may be, shall, <i>mutatis mutandis</i> , apply for determination of such tax.	
	36. Every registered person required to keep and maintain books of account or other records under sub-section (1) of section 35 shall retain them until the expiry of seventy two months from the due date of	Period of retention of accounts.



	filing of annual return for the year pertaining to such accounts and records:	
	Provided that a registered person, who is a party to an appeal or revision or any other proceedings before any Appellate Authority or Revisional Authority or Appellate Tribunal or court, whether filed by him or by the Commissioner, or is under investigation for an offence under Chapter XIX, shall retain the books of account and other records pertaining to the subject matter of such appeal or revision or proceedings or investigation for a period of one year after final disposal of such appeal or revision or proceedings or investigation, or for the period specified above, whichever is later.	
	CHAPTER- IX RETURNS	
	37. (1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of section 10, section 51 or section 52, shall furnish, electronically, in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected, during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed:	Furnishing details of outward supplies.
	Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period:	
	Provided further that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details, for such class of taxable persons as may be specified therein:	
	Provided also that any extension of time limit notified by the Commissioner of <i>central</i> tax shall be deemed to be notified by the Commissioner.	

	(2) Every registered person who has been communicated the details under sub-section (3) of section 38 or the details pertaining to inward supplies of Input Service Distributor under sub-section (4) of section 38, shall either accept or reject the details so communicated, on or before the seventeenth day, but not before the fifteenth day, of the month succeeding the tax period and the details furnished by him under sub-section (1) shall stand amended accordingly.	
	(3) Any registered person, who has furnished the details under sub-section (1) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:	
	Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.	
	<i>Explanation.</i> —For the purposes of this Chapter, the expression “details of outward supplies” shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.	
	38. (1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10, section 51 or section 52, shall verify, validate, modify or delete, if required, the details relating to outward supplies and credit or debit notes communicated under sub-section (1) of section 37 to prepare the details of his inward supplies and credit or debit notes and may include therein, the details of inward supplies and credit or debit notes received by	Furnishing details of inward supplies.

	him in respect of such supplies that have not been declared by the supplier under sub-section (1) of section 37.	
	(2) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10, section 51 or section 52, shall furnish, electronically, the details of inward supplies of taxable goods or services or both, including inward supplies of goods or services or both on which the tax is payable on reverse charge basis under this Act and inward supplies of goods or services or both taxable under the Integrated Goods and Services Tax Act or on which integrated goods and services tax is payable under section 3 of the Customs Tariff Act, 1975, and credit or debit notes received in respect of such supplies during a tax period after the tenth day but on or before the fifteenth day of the month succeeding the tax period in such form and manner as may be prescribed:	
	Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:	
	Provided further that any extension of time limit notified by the Commissioner of <i>central</i> tax shall be deemed to be notified by the Commissioner.	
	(3) The details of supplies modified, deleted or included by the recipient and furnished under sub-section (2) shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.	
	(4) The details of supplies modified, deleted or included by the recipient in the return furnished under sub-section (2) or sub-section (4) of section 39 shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.	

	(5) Any registered person, who has furnished the details under sub-section (2) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in the tax period during which such error or omission is noticed in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:	
	Provided that no rectification of error or omission in respect of the details furnished under sub-section (2) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.	
	39. (1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10, section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and other particulars as may be prescribed on or before the twentieth day of the month succeeding such calendar month or part thereof.	Furnishing of Returns.
	(2) A registered person paying tax under the provisions of section 10 shall, for each quarter or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward supplies of goods or services or both, tax payable and tax paid within eighteen days after the end of such quarter.	
	(3) Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions have been made within ten days after the end of such month.	

	(4) Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within thirteen days after the end of such month.	
	(5) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within twenty days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.	
	(6) The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of registered persons as may be specified therein:	
	Provided that any extension of time limit notified by the Commissioner of <i>central</i> tax shall be deemed to be notified by the Commissioner.	
	(7) Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return.	
	(8) Every registered person who is required to furnish a return under sub-section (1) or sub-section (2) shall furnish a return for every tax period whether or not any supplies of goods or services or both have been effected during such tax period.	

	(9) Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the return to be furnished for the month or quarter, as the case may be, during which such omission or incorrect particulars are noticed, subject to payment of interest under this Act:	
	Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier.	
	(10) A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.	
	40. Every registered person who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return furnished by him after grant of registration.	First Return.
	41. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take credit of eligible input tax, as self-assessed, in his return and such amount shall be credited on a provisional basis to his electronic credit ledger.	Claim of input tax credit and provisional acceptance thereof.
	(2) The credit referred to in sub-section (1) shall be utilised only for payment of self-assessed output tax as per the return referred to in the said sub-section.	

	42. (1) The details of every inward supply furnished by a registered person (hereafter in this section referred to as the “recipient”) for a tax period shall, in such manner and within such time as may be prescribed, be matched—	Matching, reversal and reclaim of input tax credit.
	(a) with the corresponding details of outward supply furnished by the corresponding registered person (hereafter in this section referred to as the “supplier”) in his valid return for the same tax period or any preceding tax period;	
51 of 1975.	(b) with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him; and	
	(c) for duplication of claims of input tax credit.	
51 of 1975	(2) The claim of input tax credit in respect of invoices or debit notes relating to inward supply that match with the details of corresponding outward supply or with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him shall be finally accepted and such acceptance shall be communicated, in such manner as may be prescribed, to the recipient.	
	(3) Where the input tax credit claimed by a recipient in respect of an inward supply is in excess of the tax declared by the supplier for the same supply or the outward supply is not declared by the supplier in his valid returns, the discrepancy shall be communicated to both such persons in such manner as may be prescribed.	
	(4) The duplication of claims of input tax credit shall be communicated to the recipient in such manner as may be prescribed.	

	(5) The amount in respect of which any discrepancy is communicated under sub-section (3) and which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the recipient, in such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.	
	(6) The amount claimed as input tax credit that is found to be in excess on account of duplication of claims shall be added to the output tax liability of the recipient in his return for the month in which the duplication is communicated.	
	(7) The recipient shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5), if the supplier declares the details of the invoice or debit note in his valid return within the time specified in sub-section (9) of section 39.	
	(8) A recipient in whose output tax liability any amount has been added under sub-section (5) or sub-section (6), shall be liable to pay interest at the rate specified under sub-section (1) of section 50 on the amount so added from the date of availing of credit till the corresponding additions are made under the said sub-sections.	
	(9) Where any reduction in output tax liability is accepted under sub-section (7), the interest paid under sub-section (8) shall be refunded to the recipient by crediting the amount in the corresponding head of his electronic cash ledger in such manner as may be prescribed:	
	Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the supplier.	



	(10) The amount reduced from the output tax liability in contravention of the provisions of sub-section (7) shall be added to the output tax liability of the recipient in his return for the month in which such contravention takes place and such recipient shall be liable to pay interest on the amount so added at the rate specified in sub-section (3) of section 50.	
	43. (1) The details of every credit note relating to outward supply furnished by a registered person (hereafter in this section referred to as the “supplier”) for a tax period shall, in such manner and within such time as may be prescribed, be matched—	Matching, reversal and reclaim of reduction in output tax liability.
	(a) with the corresponding reduction in the claim for input tax credit by the corresponding registered person (hereafter in this section referred to as the “recipient”) in his valid return for the same tax period or any subsequent tax period; and	
	(b) for duplication of claims for reduction in output tax liability.	
	(2) The claim for reduction in output tax liability by the supplier that matches with the corresponding reduction in the claim for input tax credit by the recipient shall be finally accepted and communicated, in such manner as may be prescribed, to the supplier.	
	(3) Where the reduction of output tax liability in respect of outward supplies exceeds the corresponding reduction in the claim for input tax credit or the corresponding credit note is not declared by the recipient in his valid returns, the discrepancy shall be communicated to both such persons in such manner as may be prescribed.	
	(4) The duplication of claims for reduction in output tax liability shall be communicated to the supplier in such manner as may be prescribed.	

	(5) The amount in respect of which any discrepancy is communicated under sub-section (3) and which is not rectified by the recipient in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the supplier, in such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.	
	(6) The amount in respect of any reduction in output tax liability that is found to be on account of duplication of claims shall be added to the output tax liability of the supplier in his return for the month in which such duplication is communicated.	
	(7) The supplier shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5) if the recipient declares the details of the credit note in his valid return within the time specified in sub-section (9) of section 39.	
	(8) A supplier in whose output tax liability any amount has been added under sub-section (5) or sub-section (6), shall be liable to pay interest at the rate specified under sub-section (1) of section 50 in respect of the amount so added from the date of such claim for reduction in the output tax liability till the corresponding additions are made under the said sub-sections.	
	(9) Where any reduction in output tax liability is accepted under sub-section (7), the interest paid under sub-section (8) shall be refunded to the supplier by crediting the amount in the corresponding head of his electronic cash ledger in such manner as may be prescribed:	
	Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the recipient.	

	(10) The amount reduced from output tax liability in contravention of the provisions of sub-section (7), shall be added to the output tax liability of the supplier in his return for the month in which such contravention takes place and such supplier shall be liable to pay interest on the amount so added at the rate specified in sub-section (3) of section 50.	
	44. (1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year.	Annual return.
	(2) Every registered person who is required to get his accounts audited under sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) along with the audited copy of the annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement, and such other particulars as may be prescribed.	
	45. Every registered person who is required to furnish a return under sub-section (1) of section 39 and whose registration has been cancelled shall furnish a final return within three months of the date of cancellation or date of cancellation order, whichever is later, in such form and manner as may be prescribed.	Final return.
	46. Where a registered person fails to furnish a return under section 39, section 44 or section 45, a notice shall be issued requiring him to furnish such return within fifteen days in such form and manner as may be prescribed.	Notice to return defaulters.
	47. (1) Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or section 38 or returns required under section 39 or section 45 by the due date shall pay a late fee of one hundred rupees for every day during	Levy of late fee.

	which such failure continues subject to a maximum amount of five thousand rupees.	
	(2) Any registered person who fails to furnish the return required under section 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent. of his turnover in the State.	
	48. (1) The manner of approval of goods and services tax practitioners, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning shall be such as may be prescribed.	Goods and services tax practitioners.
	(2) A registered person may authorise an approved goods and service tax practitioner to furnish the details of outward supplies under section 37, the details of inward supplies under section 38 and the return under section 39 or section 44 in such manner as may be prescribed.	
	(3) Notwithstanding anything contained in sub-section (2), the responsibility for correctness of any particulars furnished in the return or other details filed by the goods and services tax practitioners shall continue to rest with the registered person on whose behalf such return and details are furnished.	
	<b>CHAPTER-X PAYMENT OF TAX</b>	
	49. (1) Every deposit made towards tax, interest, penalty, fee or any other amount by a taxable person by internet banking or by using credit or debit cards or National Electronic Fund Transfer or Real Time Gross Settlement or by such other mode and subject to such conditions and restrictions as may be prescribed, shall be credited to the electronic cash ledger of such person to be maintained in such manner as may be prescribed.	Payment of tax, interest, penalty and other amounts.

	(2) The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41, to be maintained in such manner as may be prescribed.	
	(3) The amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of this Act or the rules made thereunder in such manner and subject to such conditions and within such time as may be prescribed.	
	(4) The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions and within such time as may be prescribed.	
	(5) The amount of input tax credit available in the electronic credit ledger of the registered person on account of —	
	(a) integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be utilised towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;	
	(b) the central tax shall first be utilised towards payment of central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;	
	(c) the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;	
	(d) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;	

	(e) the central tax shall not be utilised towards payment of State tax or Union territory tax; and	
	(f) the State tax or Union territory tax shall not be utilised towards payment of central tax.	
	(6) The balance in the electronic cash ledger or electronic credit ledger after payment of tax, interest, penalty, fee or any other amount payable under this Act or the rules made thereunder may be refunded in accordance with the provisions of section 54.	
	(7) All liabilities of a taxable person under this Act shall be recorded and maintained in an electronic liability register in such manner as may be prescribed.	
	(8) Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:—	
	(a) self-assessed tax, and other dues related to returns of previous tax periods;	
	(b) self-assessed tax, and other dues related to the return of the current tax period;	
	(c) any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74.	
	(9) Every person who has paid the tax on goods or services or both under this Act shall, unless the contrary is proved by him, be deemed to have passed on the full incidence of such tax to the recipient of such goods or services or both.	

	<p><i>Explanation.</i>—For the purposes of this section,</p> <p>(a) the date of credit to the account of the Government in the authorised bank shall be deemed to be the date of deposit in the electronic cash ledger.</p> <p>(b) the expression,-</p> <p>(i) “tax dues” means the tax payable under this Act and does not include interest, fee and penalty; and</p> <p>(ii) “other dues” means interest, penalty, fee or any other amount payable under this Act or the rules made thereunder.</p>	
	50. (1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council.	Interest on delayed payment of tax.
	(2) The interest under sub-section (1) shall be calculated in such manner as may be prescribed from the day succeeding the day on which such tax was due to be paid.	
	(3) A taxable person who makes an undue or excess claim of input tax credit under sub-section (10) of section 42 or undue or excess reduction in output tax liability under sub-section (10) of section 43, shall pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at such rate not exceeding twenty-four per cent., as may be notified by the Government on the recommendations of the Council.	
	51. (1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate,-	Tax deduction at source.
	(a) a department or establishment of the Central Government or State Government; or	
	(b) local authority; or	

	(c) Governmental agencies; or	
	(d) such persons or category of persons as may be notified by the Government on the recommendations of the Council,	
	(hereafter in this section referred to as “the deductor”), to deduct tax at the rate of one per cent. from the payment made or credited to the supplier (hereafter in this section referred to as “the deductee”) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees:	
	Provided that no deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or, as the case may be, Union territory of registration of the recipient.	
	<i>Explanation.</i> —For the purpose of deduction of tax specified above, the value of supply shall be taken as the amount excluding the tax indicated in the invoice.	
	(2) The amount deducted as tax under this section shall be paid to the Government by the deductor within ten days after the end of the month in which such deduction is made, in such manner as may be prescribed.	
	(3) The deductor shall furnish to the deductee a certificate mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars in such manner as may be prescribed.	



	(4) If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five day period until the failure is rectified, subject to a maximum amount of five thousand rupees.	
	(5) The deductee shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in the return of the deductor furnished under sub-section (3) of section 39, in such manner as may be prescribed.	
	(6) If any deductor fails to pay to the Government the amount deducted as tax under sub-section (1), he shall pay interest in accordance with the provisions of sub-section (1) of section 50, in addition to the amount of tax deducted.	
	(7) The determination of the amount in default under this section shall be made in the manner specified in section 73 or section 74.	
	(8) The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with the provisions of section 54:	
	Provided that no refund to the deductor shall be granted, if the amount deducted has been credited to the electronic cash ledger of the deductee.	
	52. (1) Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the “operator”), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent., as may be notified on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.	Collection of tax at source.

	<i>Explanation.</i> —For the purposes of this sub-section, the expression "net value of taxable supplies" shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.	
	(2) The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.	
	(3) The amount collected under sub-section (1) shall be paid to the Government by the operator within ten days after the end of the month in which such collection is made, in such manner as may be prescribed.	
	(4) Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed, within ten days after the end of such month.	
	(5) Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year.	

	(6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:	
	Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.	
	(7) The supplier who has supplied the goods or services or both through the operator shall claim credit, in his electronic cash ledger, of the amount collected and reflected in the statement of the operator furnished under sub-section (4), in such manner as may be prescribed.	
	(8) The details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.	
	(9) Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under section 37, the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.	

	(10) The amount in respect of which any discrepancy is communicated under sub-section (9) and which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated in such manner as may be prescribed.	
	(11) The concerned supplier, in whose output tax liability any amount has been added under sub-section (10), shall pay the tax payable in respect of such supply along with interest, at the rate specified under sub-section (1) of section 50 on the amount so added from the date such tax was due till the date of its payment.	
	(12) Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to—	
	(a) supplies of goods or services or both effected through such operator during any period; or	
	(b) stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operators and declared as additional places of business by such suppliers,	
	as may be specified in the notice.	
	(13) Every operator on whom a notice has been served under sub-section (12) shall furnish the required information within fifteen working days of the date of service of such notice.	

	(14) Any person who fails to furnish the information required by the notice served under sub-section (12) shall, without prejudice to any action that may be taken under section 122, be liable to a penalty which may extend to twenty five thousand rupees.	
	Explanation.—For the purposes of this section, the expression ‘concerned supplier’ shall mean the supplier of goods or services or both making supplies through the operator.	
	53. On utilisation of input tax credit availed under this Act for payment of tax dues under the Integrated Goods and Services Tax Act in accordance with sub-section (5) of section 49, as reflected in the valid return furnished under sub-section (1) of section 39, the amount collected as <i>State</i> tax shall stand reduced by an amount equal to such credit so utilised and the <i>State</i> Government shall transfer an amount equal to the amount so reduced from the <i>State</i> tax account to the integrated tax account in such manner and within such time as may be prescribed.	Transfer of input tax credit.
	CHAPTER XI REFUNDS	
	54. (1) Any person claiming refund of any tax and interest paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed:	Refund of tax.
	Provided that a registered person, claiming refund of any balance in the electronic cash ledger as per sub-section (6) of section 49, may claim such refund in the return furnished under section 39 in such manner as may be prescribed.	

<b>46 of 1947.</b>	(2) A specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries or any other person or class of persons as notified under section 55 entitled to a refund of tax paid by it on inward supplies of goods or services or both, may make an application for such refund, in such form and manner as may be prescribed, before the expiry of six months from the last day of the quarter in which such supply was received.	
	(3) Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilised input tax credit at the end of any tax period:	
	Provided that no refund of unutilised input tax credit shall be allowed in cases other than- (i) zero rated supplies made without payment of tax; (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified on the recommendations of the Council:	
	Provided further that no refund of unutilised input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty:	
	Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback or claims refund of the integrated tax paid on such supplies.	
	(4) The application shall be accompanied by—	
	(a) such documentary evidence as may be prescribed to establish that a refund is due to the applicant; and	
	(b) such documentary or other evidence (including the documents referred to in section 33) as the applicant may furnish to establish that the amount of tax and interest, if any, paid on such tax or any other amount paid in relation to which such refund is claimed was collected from, or	

	paid by, him and the incidence of such tax and interest had not been passed on to any other person:	
	Provided that where the amount claimed as refund is less than two lakh rupees, it shall not be necessary for the applicant to furnish any documentary and other evidences but he may file a declaration, based on the documentary or other evidences available with him, certifying that the incidence of such tax and interest had not been passed on to any other person.	
	(5) If, on receipt of any such application, the proper officer is satisfied that the whole or part of the amount claimed as refund is refundable, he may make an order accordingly and the amount so determined shall be credited to the Fund referred to in section 57.	
	(6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of export of goods or services or both made by registered persons, other than such category of registered persons as may be notified in this behalf, refund on a provisional basis, ninety per cent. of the total amount so claimed, excluding the amount of input tax credit provisionally accepted, in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.	
	(7) The proper officer shall issue the order under sub-section (5) within sixty days from the date of receipt of application complete in all respects.	
	(8) Notwithstanding anything contained in sub-section (5), the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to –	
	(a) refund of tax on inputs or input services used in the goods or services or both which are exported out of India;	

	(b) refund of unutilised input tax credit under sub-section (3);	
	(c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;	
	(d) refund of tax in pursuance of section 77;	
	(e) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or	
	(f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.	
	(9) Notwithstanding anything to the contrary contained in any judgment, decree, order or direction of the Appellate Tribunal or any court or in any other provisions of this Act or the rules made thereunder or in any other law for the time being in force, no refund shall be made except in accordance with the provisions of sub-section (8).	
	(10) Where any refund is due under sub-section (3) to a registered person who has defaulted in furnishing any return or who is required to pay any tax, interest or penalty, which has not been stayed by any court, Tribunal or Appellate Authority by the specified date, the proper officer may—	
	(a) withhold payment of refund due until the said person has furnished the return or paid the tax, interest or penalty, as the case may be;	
	(b) deduct from the refund due, any tax, interest, penalty, fee or any other amount which the taxable person is liable to pay but which remains unpaid under this Act or under the existing law.	



	<i>Explanation.</i> —For the purposes of this sub-section, the expression “specified date” shall mean the last date for filing an appeal under this Act.	
	(11) Where an order giving rise to a refund is the subject matter of an appeal or further proceedings or where any other proceedings under this Act is pending and the Commissioner is of the opinion that grant of such refund is likely to adversely affect the revenue in the said appeal or other proceedings on account of malfeasance or fraud committed, he may, after giving the taxable person an opportunity of being heard, withhold the refund till such time as he may determine.	
	(12) Where a refund is withheld under sub-section (11), the taxable person shall, notwithstanding anything contained in section 56, be entitled to interest at such rate not exceeding six per cent. as may be notified on the recommendations of the Council, if as a result of the appeal or further proceedings he becomes entitled to refund.	
	(13) Notwithstanding anything to the contrary contained in this section, the amount of advance tax deposited by a casual taxable person or a non-resident taxable person under sub-section (2) of section 27, shall not be refunded unless such person has, in respect of the entire period for which the certificate of registration granted to him had remained in force, furnished all the returns required under section 39.	
	(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.	
	<i>Explanation.</i> —For the purposes of this section,—	
	(1) “refund” includes refund of tax on inputs or input services used in the goods or services or both which are exported out of India, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilised input tax credit as provided under sub-section (3) .	

	(2) “relevant date” means –	
	(a) in the case of goods exported out of India where a refund of tax paid is available in respect of inputs or input services used in such goods,—	
	(i) if the goods are exported by sea or air, the date on which the ship or the aircraft in which such goods are loaded, leaves India; or	
	(ii) if the goods are exported by land, the date on which such goods pass the frontier; or	
	(iii) if the goods are exported by post, the date of despatch of goods by the Post Office concerned to a place outside India;	
	(b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is filed;	
	(c) in the case of services exported out of India where a refund of tax paid is available in respect of inputs or input services used in such services, the date of—	
	(i) receipt of payment in convertible foreign exchange, where the supply of services had been completed prior to the receipt of such payment; or	
	(ii) issue of invoice, where payment for the services had been received in advance prior to the date of issue of the invoice;	
	(d) in case where the tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court, the date of communication of such judgment, decree, order or direction;	
	(e) in the case of refund of unutilised input tax credit under sub-section (3), the end of the financial year in which such claim for refund arises;	

	(f) in the case where tax is paid provisionally under this Act or the rules made thereunder, the date of adjustment of tax after the final assessment thereof;	
	(g) in the case of a person, other than the supplier, the date of receipt of goods or services or both by such person; and	
	(h) in any other case, the date of payment of tax.	
46 of 1947.	55. The Government may, on the recommendations of the Council, by notification, specify any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries and any other person or class of persons as may be specified in this behalf, who shall, subject to such conditions and restrictions as may be prescribed, be entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them.	Refund in certain cases.
	56. If any tax ordered to be refunded under sub-section (5) of section 54 to any applicant is not refunded within sixty days from the date of receipt of application under sub-section (1) of that section, interest at such rate not exceeding six per cent. as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax:	Interest on delayed refunds.
	Provided that where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or Court which has attained finality and the same is not refunded within sixty days from the date of receipt of application filed consequent to such order, interest at such rate not exceeding nine per cent. as may be notified on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund.	

	<i>Explanation.</i> —For the purposes of this section, where any order of refund is made by an Appellate Authority, Appellate Tribunal or any court against an order of the proper officer under sub-section (5) of section 54, the order passed by the Appellate Authority, Appellate Tribunal or by the court shall be deemed to be an order passed under the said sub-section (5).	
	57. The Government shall constitute a Fund, to be called the Consumer Welfare Fund and there shall be credited to the Fund,—	Consumer Welfare Fund.
	(a) the amount of tax referred to in sub-section (5) of section 54;	
	(b) any income from investment of the amount credited to the Fund; and	
	(c) such other monies received by it,	
	in such manner as may be prescribed.	
	58. (1) All sums credited to the Fund shall be utilised by the Government for the welfare of the consumers in such manner as may be prescribed.	Utilisation of Fund.
	(2) The Government or the authority specified by it shall maintain proper and separate account and other relevant records in relation to the Fund and prepare an annual statement of accounts in such form as may be prescribed in consultation with the Comptroller and Auditor-General of India.	
	<b>CHAPTER– XII</b> <b>ASSESSMENT</b>	
	59. Every registered person shall self assess the taxes payable under this Act and furnish a return for each tax period as specified under section 39.	Self-Assessment.
	60. (1) Subject to the provisions of sub-section (2), where the taxable person is unable to determine the value of goods or services or both or determine the rate of tax applicable thereto, he may request the proper officer	Provisional Assessment.

	in writing giving reasons for payment of tax on a provisional basis and the proper officer shall pass an order, within a period not later than ninety days from the date of receipt of such request, allowing payment of tax on provisional basis at such rate or on such value as may be specified by him.	
	(2) The payment of tax on provisional basis may be allowed, if the taxable person executes a bond in such form as may be prescribed, and with such surety or security as the proper officer may deem fit, binding the taxable person for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed.	
	(3) The proper officer shall, within a period not exceeding six months from the date of the communication of the order issued under sub-section (1), pass the final assessment order after taking into account such information as may be required for finalizing the assessment:	
	Provided that the period specified in this sub-section may, on sufficient cause being shown and for reasons to be recorded in writing, be extended by the Joint Commissioner or Additional Commissioner for a further period not exceeding six months and by the Commissioner for such further period not exceeding four years.	
	(4) The registered person shall be liable to pay interest on any tax payable on the supply of goods or services both under provisional assessment but not paid on the due date specified under sub-section (7) of section 39 or the rules made thereunder, at the rate specified under sub-section (1) of section 50, from the first day after the due date of payment of tax in respect of the said supply of goods or services or both till the date of actual payment, whether such amount is paid before or after the issuance of order for final assessment.	

	(5) Where the registered person is entitled to a refund consequent to the order for final assessment under sub-section (3), subject to the provisions of sub-section (8) of section 54, interest shall be paid on such refund as provided in section 56.	
	61. (1) The proper officer may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner as may be prescribed and seek his explanation thereto.	Scrutiny of returns.
	(2) In case the explanation is found acceptable, the registered person shall be informed accordingly and no further action shall be taken in this regard.	
	(3) In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74.	
	62. (1) Notwithstanding anything to the contrary contained in section 73 or section 74, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgement taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.	Assessment of non-filers of returns.

	(2) Where the registered person furnishes a valid return within thirty days of the service of the assessment order under sub-section (1), the said assessment order shall be deemed to have been withdrawn but the liability for payment of interest under sub-section (1) of section 50 or for payment of late fee under section 47 shall continue.	
	63. Notwithstanding anything to the contrary contained in section 73 or section 74, where a taxable person fails to obtain registration even though liable to do so or whose registration has been cancelled under sub-section (2) of section 29 but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgement for the relevant tax periods and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates:	Assessment of unregistered persons.
	Provided that no such assessment order shall be passed without giving the person an opportunity of being heard.	
	64. (1) The proper officer may, on any evidence showing a tax liability of a person coming to his notice, with the previous permission of Additional Commissioner or Joint Commissioner, proceed to assess the tax liability of such person to protect the interest of revenue and issue an assessment order, if he has sufficient grounds to believe that any delay in doing so may adversely affect the interest of revenue:	Summary assessment in certain special cases.
	Provided that where the taxable person to whom the liability pertains is not ascertainable and such liability pertains to supply of goods, the person in charge of such goods shall be deemed to be the taxable person liable to be assessed and liable to pay tax and any other amount due under this section.	

	(2) On an application made by the taxable person within thirty days from the date of receipt of order passed under sub-section (1) or on his own motion, if the Additional Commissioner or Joint Commissioner considers that such order is erroneous, he may withdraw such order and follow the procedure laid down in section 73 or section 74.	
	<b>CHAPTER XIII</b> <b>AUDIT</b>	
	65. (1) The Commissioner or any officer authorised by him, by way of a general or a specific order, may undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed.	Audit by tax authorities.
	(2) The officers referred to in sub-section (1) may conduct audit at the place of business of the registered person or in their office.	
	(3) The registered person shall be informed, by way of a notice not less than fifteen working days prior to the conduct of audit in such manner as may be prescribed.	
	(4) The audit under sub-section (1) shall be completed within a period of three months from the date of commencement of the audit:	
	Provided that where the Commissioner is satisfied that audit in respect of such registered person cannot be completed within three months, he may, for the reasons to be recorded in writing, extend the period by a further period not exceeding six months.	
	<i>Explanation.</i> —For the purposes of this sub-section, the expression “commencement of audit” shall mean the date on which the records and other documents, called for by the tax authorities, are made available by the registered person or the actual institution of audit at the place of business, whichever is later.	
	(5) During the course of audit, the authorised officer may require the registered person,—	



	(i) to afford him the necessary facility to verify the books of account or other documents as he may require;	
	(ii) to furnish such information as he may require and render assistance for timely completion of the audit.	
	(6) On conclusion of audit, the proper officer shall, within thirty days, inform the registered person, whose records are audited, about the findings, his rights and obligations and the reasons for such findings.	
	(7) Where the audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.	
	66. (1) If at any stage of scrutiny, inquiry, investigation or any other proceedings before him, any officer not below the rank of Assistant Commissioner, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that the value has not been correctly declared or the credit availed is not within the normal limits, he may, with the prior approval of the Commissioner, direct such registered person by a communication in writing to get his records including books of account examined and audited by a chartered accountant or a cost accountant as may be nominated by the Commissioner.	Special audit.
	(2) The chartered accountant or cost accountant so nominated shall, within the period of ninety days, submit a report of such audit duly signed and certified by him to the said Assistant Commissioner mentioning therein such other particulars as may be specified:	
	Provided that the Assistant Commissioner may, on an application made to him in this behalf by the registered person or the chartered accountant or cost accountant or for any material and sufficient reason, extend the said period by a further period of ninety days.	

	(3) The provisions of sub-section (1) shall have effect notwithstanding that the accounts of the registered person have been audited under any other provisions of this Act or any other law for the time being in force.	
	(4) The registered person shall be given an opportunity of being heard in respect of any material gathered on the basis of special audit under sub-section (1) which is proposed to be used in any proceedings against him under this Act or the rules made thereunder.	
	(5) The expenses of the examination and audit of records under sub-section (1), including the remuneration of such chartered accountant or cost accountant, shall be determined and paid by the Commissioner and such determination shall be final.	
	(6) Where the special audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.	
	<b>CHAPTER XIV</b> <b>INSPECTION, SEARCH, SEIZURE AND ARREST</b>	
	67. (1) Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that—	Power of inspection, search and seizure.
	(a) a taxable person has suppressed any transaction relating to supply of goods or services or both or the stock of goods in hand, or has claimed input tax credit in excess of his entitlement under this Act or has indulged in contravention of any of the provisions of this Act or the rules made thereunder to evade tax under this Act; or	
	(b) any person engaged in the business of transporting goods or an owner or operator of a warehouse or a godown or any other place is keeping goods which have escaped payment of tax or has kept	

	his accounts or goods in such a manner as is likely to cause evasion of tax payable under this Act,	
	he may authorise in writing any other officer of <i>State</i> tax to inspect any places of business of the taxable person or the persons engaged in the business of transporting goods or the owner or the operator of warehouse or godown or any other place.	
	(2) Where the proper officer, not below the rank of Joint Commissioner, either pursuant to an inspection carried out under sub-section (1) or otherwise, has reasons to believe that any goods liable to confiscation or any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise in writing any other officer of <i>State</i> tax to search and seize or may himself search and seize such goods, documents or books or things:	
	Provided that where it is not practicable to seize any such goods, the proper officer or any officer authorised by him, may serve on the owner or the custodian of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer:	
	Provided further that the documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.	
	(3) The documents, books or things referred to in sub-section (2) or any other documents, books or things produced by a taxable person or any other person, which have not been relied on for the issue of notice under this Act or the rules made thereunder, shall be returned to such person within a period not exceeding thirty days of the issue of the said notice.	

	(4) The officer authorised under sub-section (2) shall have the power to seal or break open the door of any premises or to break open any <i>almirah</i> , electronic devices, box, receptacle in which any goods, accounts, registers or documents of the person are suspected to be concealed, where access to such premises, <i>almirah</i> , electronic devices, box or receptacle is denied.	
	(5) The person from whose custody any documents are seized under sub-section (2) shall be entitled to make copies thereof or take extracts therefrom in the presence of an authorised officer at such place and time as such officer may indicate in this behalf except where making such copies or taking such extracts may, in the opinion of the proper officer, prejudicially affect the investigation.	
	(6) The goods so seized under sub-section (2) shall be released, on a provisional basis, upon execution of a bond and furnishing of a security, in such manner and of such quantum, respectively, as may be prescribed or on payment of applicable tax, interest and penalty payable, as the case may be.	
	(7) Where any goods are seized under sub-section (2) and no notice in respect thereof is given within six months of the seizure of the goods, the goods shall be returned to the person from whose possession they were seized:	
	Provided that the period of six months may, on sufficient cause being shown, be extended by the proper officer for a further period not exceeding six months.	

	(8) The Government may, having regard to the perishable or hazardous nature of any goods, depreciation in the value of the goods with the passage of time, constraints of storage space for the goods or any other relevant considerations, by notification, specify the goods or class of goods which shall, as soon as may be after its seizure under sub-section (2), be disposed of by the proper officer in such manner as may be prescribed.	
	(9) Where any goods, being goods specified under sub-section (8), have been seized by a proper officer or any officer authorised by him, under sub-section (2), he shall prepare an inventory of such goods in such manner as may be prescribed.	
2 of 1974.	(10) The provisions of the Code of Criminal Procedure, 1973, relating to search and seizure, shall, so far as may be, apply to search and seizure under this section subject to the modification that sub-section (5) of section 165 of the said Code shall have effect as if for the word “Magistrate”, wherever it occurs, the word “Commissioner” were substituted.	
	(11) Where the proper officer has reasons to believe that any person has evaded or is attempting to evade the payment of any tax, he may, for reasons to be recorded in writing, seize the accounts, registers or documents of such person produced before him and shall grant a receipt for the same, and shall retain the same for so long as may be necessary in connection with any proceedings under this Act or the rules made thereunder for prosecution.	

	(12) The Commissioner or an officer authorised by him may cause purchase of any goods or services or both by any person authorised by him from the business premises of any taxable person, to check issue of tax invoices or bills of supply by such taxable person, and on return of goods so purchased by such officer, such taxable person or any person in charge of the business premises shall refund the amount so paid towards the goods after cancelling any tax invoice or bill of supply issued earlier.	
	68. (1) The Government may require the person in charge of a conveyance carrying any consignment of goods of value exceeding such amount as may be specified to carry with him such documents and such devices as may be prescribed.	Inspection of goods in movement.
	(2) The details of documents required to be carried under sub-section (1) shall be validated in such manner as may be prescribed.	
	(3) Where any conveyance referred to in sub-section (1) is intercepted by the proper officer at any place, he may require the person in charge of the said conveyance to produce the documents prescribed under the said sub-section and devices for verification, and the said person shall be liable to produce the documents and devices and also allow the inspection of goods.	
	69. (1) Where the Commissioner has reasons to believe that any person has committed any offence specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) of section 132 which is punishable under clause (i) or (ii) of sub-section (1) or sub-section (2) of the said section, he may, by order, authorise any officer of <i>State</i> tax to arrest such person.	Power to arrest.

	(2) Where a person is arrested under sub-section (1) for an offence specified under sub-section (5) of section 132, the officer authorised to arrest a person shall inform such person of the grounds of arrest and produce him before a Magistrate within twenty four hours.	
2 of 1974.	<p>(3) Subject to the provisions of the Code of Criminal Procedure, 1973,--</p> <p>(a) where a person is arrested under sub-section (1) for any offence specified under sub-section (4) of section 132, he shall be admitted to bail or in default of bail, forwarded to the custody of the Magistrate;</p> <p>(b) in the case of a non-cognizable and bailable offence, the Deputy Commissioner or the Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station</p>	
5 of 1908	70. (1) The proper officer under this Act shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry in the same manner, as provided in the case of a civil court under the provisions of the Code of Civil Procedure, 1908.	Power to summon persons to give evidence and produce documents.
45 of 1860.	(2) Every such inquiry referred to in sub-section (1) shall be deemed to be a “judicial proceedings” within the meaning of section 193 and section 228 of the Indian Penal Code.	
	71. (1) Any officer under this Act authorised by the proper officer not below the rank of Joint Commissioner shall have access to any place of business of a registered person to inspect books of account, documents, computers, computer programs, computer software whether installed in a computer or otherwise and such other things as he may require and which may be available at such place, for the purposes of carrying out any audit, scrutiny, verification and checks as may be necessary to safeguard the interest of revenue.	Access to business premises.

	(2) Every person in charge of place referred to in sub-section (1) shall, on demand, make available to the officer authorised under sub-section (1) or the audit party deputed by the proper officer or a cost accountant or chartered accountant nominated under section 66—	
	(i) such records as prepared or maintained by the registered person and declared to the proper officer in such manner as may be prescribed;	
	(ii) trial balance or its equivalent;	
	(iii) statements of annual financial accounts, duly audited, wherever required;	
18 of 2013.	(iv) cost audit report, if any, under section 148 of the Companies Act, 2013;	
43 of 1961.	(v) the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961; and	
	(vi) any other relevant record,	
	for the scrutiny by the officer or audit party or the chartered accountant or cost accountant within a period not exceeding fifteen working days from the day when such demand is made, or such further period as may be allowed by the said officer or the audit party or the chartered accountant or cost accountant.	
	72. (1) All officers of Police, Railways, Customs, and those engaged in the collection of land revenue, including village officers, and officers of <i>central</i> tax and officers of the Union territory tax shall assist the proper officers in the implementation of this Act.	Officers to assist proper officers.
	(2) The Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so by the Commissioner.	
	CHAPTER XV DEMANDS AND RECOVERY	



	73. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder.	Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful misstatement or suppression of facts.
	(2) The proper officer shall issue the notice under sub-section (1) at least three months prior to the time limit specified in sub-section (10) for issuance of order.	
	(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.	
	(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.	
	(5) The person chargeable with tax may, before service of notice under sub-section (1) or, as the case may be, the statement under sub-section (3) pay the amount of tax along with interest payable thereon under section 50 on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.	

	(6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1) or, as the case may be, the statement under sub-section (3), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.	
	(7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.	
	(8) Where any person chargeable with tax under sub-section (1) or sub-section (3) pays the said tax along with interest payable under section 50 within thirty days of issue of show cause notice, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.	
	(9) The proper officer shall, after considering the representation, if any, made by person chargeable with tax, determine the amount of tax, interest and a penalty equivalent to ten per cent. of tax or ten thousand rupees, whichever is higher, due from such person and issue an order.	
	(10) The proper officer shall issue the order under sub-section (9) within three years from the due date for filing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within three years from the date of erroneous refund.	
	(11) Notwithstanding anything contained in sub-section (6) or sub-section (8), penalty under sub-section (9) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.	
	74. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously	Determination of tax not paid or

	<p>refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.</p>	<p>short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful-misstatement or suppression of facts.</p>
	<p>(2) The proper officer shall issue the notice under sub-section (1) at least six months prior to the time limit specified in sub-section (10) for issuance of order.</p>	
	<p>(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.</p>	
	<p>(4) The service of statement under sub-section (3) shall be deemed to be service of notice under sub-section (1) of section 73, subject to the condition that the grounds relied upon in the said statement, except the ground of fraud, or any wilful-misstatement or suppression of facts to evade tax, for periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.</p>	
	<p>(5) The person chargeable with tax may, before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.</p>	

	(6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.	
	(7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.	
	(8) Where any person chargeable with tax under sub-section (1) pays the said tax along with interest payable under section 50 and a penalty equivalent to twenty five per cent. of such tax within thirty days of issue of the notice, all proceedings in respect of the said notice shall be deemed to be concluded.	
	(9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.	
	(10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for filing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.	
	(11) Where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.	
	<i>Explanation 1.</i> — For the purposes of section 73 and this section, —	

	(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;	
	(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under sections 122, 125, 129 and 130 are deemed to be concluded.	
	<i>Explanation 2.</i> —For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.	
	75. (1) Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74, as the case may be.	General provisions relating to determination of tax.
	(2) Where any Appellate Authority or Appellate Tribunal or court concludes that the notice issued under sub-section (1) of section 74 is not sustainable for the reason that the charges of fraud or any wilful mis-statement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the proper officer shall determine the tax payable by such person, deeming as if the notice were issued under sub-section (1) of section 73.	
	(3) Where any order is required to be issued in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court, such order shall be issued within two years from the date of communication of the said direction.	

	(4) An opportunity of hearing shall be granted where a request is received in writing from the person chargeable with tax or penalty, or where any adverse decision is contemplated against such person.	
	(5) The proper officer shall, if sufficient cause is shown by the person chargeable with tax, grant time to the said person and adjourn the hearing for reasons to be recorded in writing:	
	Provided that no such adjournment shall be granted for more than three times to a person during the proceedings.	
	(6) The proper officer, in his order, shall set out the relevant facts and the basis of his decision.	
	(7) The amount of tax, interest and penalty demanded in the order shall not be in excess of the amount specified in the notice and no demand shall be confirmed on the grounds other than the grounds specified in the notice.	
	(8) Where the Appellate Authority or Appellate Tribunal or court modifies the amount of tax determined by the proper officer, the amount of interest and penalty shall stand modified accordingly, taking into account the amount of tax so modified.	
	(9) The interest on the tax short paid or not paid shall be payable whether or not specified in the order determining the tax liability.	
	(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within three years as provided for in sub-section (10) of section 73 or within five years as provided for in sub-section (10) of section 74.	

	(11) An issue on which the Appellate Authority or the Appellate Tribunal or the High Court has given its decision which is prejudicial to the interest of revenue in some other proceedings and an appeal to the Appellate Tribunal or the High Court or the Supreme Court against such decision of the Appellate Authority or the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Authority and that of the Appellate Tribunal or the date of decision of the Appellate Tribunal and that of the High Court or the date of the decision of the High Court and that of the Supreme Court shall be excluded in computing the period referred to in sub-section (10) of section 73 or sub-section (10) of section 74 where proceedings are initiated by way of issue of a show cause notice under said sections.	
	(12) Notwithstanding anything contained in section 73 or section 74, where any amount of self-assessed tax in accordance with a return furnished under section 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of section 79.	
	(13) Where any penalty is imposed under section 73 or section 74, no penalty for the same act or omission shall be imposed on the same person under any other provision of this Act.	
	76. (1) Notwithstanding anything to the contrary contained in any order or direction of any Appellate Authority or Appellate Tribunal or court or in any other provisions of this Act or the rules made thereunder or any other law for the time being in force, every person who has collected from any other person any amount as representing the tax under this Act, and has not paid the said amount to the Government, shall forthwith pay the said amount to the Government, irrespective of whether the supplies in respect of which such amount was collected are taxable or not.	Tax collected but not paid to Government.

	(2) Where any amount is required to be paid to the Government under sub-section (1), and which has not been so paid, the proper officer may serve on the person liable to pay such amount a notice requiring him to show cause why the said amount as specified in the notice, should not be paid by him to the Government and why a penalty equivalent to the amount specified in the notice should not be imposed on him under the provisions of this Act.	
	(3) The proper officer shall, after considering the representation, if any, made by the person on whom the notice is served under sub-section (2), determine the amount due from such person and thereupon such person shall pay the amount so determined.	
	(4) The person referred to in sub-section (1) shall in addition to paying the amount referred to in sub-section (1) or sub-section (3) also be liable to pay interest thereon at the rate specified under section 50 from the date such amount was collected by him to the date such amount is paid by him to the Government.	
	(5) An opportunity of hearing shall be granted where a request is received in writing from the person to whom the notice was issued to show cause.	
	(6) The proper officer shall issue an order within one year from the date of issue of the notice.	
	(7) Where the issuance of order is stayed by an order of the court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of one year.	
	(8) The proper officer, in his order, shall set out the relevant facts and the basis of his decision.	



	(9) The amount paid to the Government under sub-section (1) or sub-section (3) shall be adjusted against the tax payable, if any, by the person in relation to the supplies referred to in sub-section (1).	
	(10) Where any surplus is left after the adjustment under sub-section (9), the amount of such surplus shall either be credited to the Fund or refunded to the person who has borne the incidence of such amount.	
	(11) The person who has borne the incidence of the amount, may apply for the refund of the same in accordance with the provisions of section 54.	
	77. (1) A registered person who has paid the central tax and State tax on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.	Tax wrongfully collected and paid to Central Government or State Government.
	(2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of <i>State</i> tax payable.	
	78. Any amount payable by a taxable person in pursuance of an order passed under this Act shall be paid by such person within a period of three months from the date of service of such order failing which recovery proceedings shall be initiated:	Initiation of recovery proceedings.
	Provided that where the proper officer considers it expedient in the interest of revenue, he may, for reasons to be recorded in writing, require the said taxable person to make such payment within such period less than a period of three months as may be specified by him.	
	79. (1) Where any amount payable by a person to the Government under any of the provisions of this Act or the rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more of the following modes, namely:—	Recovery of tax.

	(a) the proper officer may deduct or may require any other specified officer to deduct the amount so payable from any money owing to such person which may be under the control of the proper officer or such other specified officer;	
	(b) the proper officer may recover or may require any other specified officer to recover the amount so payable by detaining and selling any goods belonging to such person which are under the control of the proper officer or such other specified officer;	
	(c) (i) the proper officer may, by a notice in writing, require any other person from whom money is due or may become due to such person or who holds or may subsequently hold money for or on account of such person, to pay to the Government either forthwith upon the money becoming due or being held, or within the time specified in the notice not being before the money becomes due or is held, so much of the money as is sufficient to pay the amount due from such person or the whole of the money when it is equal to or less than that amount;	
	(ii) every person to whom the notice is issued under sub-clause (i) shall be bound to comply with such notice, and in particular, where any such notice is issued to a post office, banking company or an insurer, it shall not be necessary to produce any pass book, deposit receipt, policy or any other document for the purpose of any entry, endorsement or the like being made before payment is made, notwithstanding any rule, practice or requirement to the contrary;	
	(iii) in case the person to whom a notice under sub-clause (i) has been issued, fails to make the payment in pursuance thereof to the Government, he shall be deemed to be a defaulter in respect of the amount specified in the notice and all the consequences of this Act or the rules made thereunder shall follow;	
	(iv) the officer issuing a notice under sub-clause (i) may, at any time, amend or revoke such	

	notice or extend the time for making any payment in pursuance of the notice;	
	(v) any person making any payment in compliance with a notice issued under sub-clause (i) shall be deemed to have made the payment under the authority of the person in default and such payment being credited to the Government shall be deemed to constitute a good and sufficient discharge of the liability of such person to the person in default to the extent of the amount specified in the receipt;	
	(vi) any person discharging any liability to the person in default after service on him of the notice issued under sub-clause (i) shall be personally liable to the Government to the extent of the liability discharged or to the extent of the liability of the person in default for tax, interest and penalty, whichever is less;	
	(vii) where a person on whom a notice is served under sub-clause (i) proves to the satisfaction of the officer issuing the notice that the money demanded or any part thereof was not due to the person in default or that he did not hold any money for or on account of the person in default, at the time the notice was served on him, nor is the money demanded or any part thereof, likely to become due to the said person or be held for or on account of such person, nothing contained in this section shall be deemed to require the person on whom the notice has been served to pay to the Government any such money or part thereof;	
	(d) the proper officer may, in accordance with the rules to be made in this behalf, distrain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid; and in case, any part of the said amount payable or of the cost of the distress or keeping of the property, remains unpaid for a period of thirty days next after any such distress, may cause the said property to be sold and with the proceeds of such sale, may satisfy the amount payable and the	

	costs including cost of sale remaining unpaid and shall render the surplus amount, if any, to such person;	
	(e) the proper officer may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the district in which such person owns any property or resides or carries on his business or to any officer authorised by the Government and the said Collector or the said officer, on receipt of such certificate, shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue;	
2 of 1974.	(f) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the proper officer may file an application to the appropriate Magistrate and such Magistrate shall proceed to recover from such person the amount specified thereunder as if it were a fine imposed by him.	
	(2) Where the terms of any bond or other instrument executed under this Act or any rules or regulations made thereunder provide that any amount due under such instrument may be recovered in the manner laid down in sub-section (1), the amount may, without prejudice to any other mode of recovery, be recovered in accordance with the provisions of that sub-section.	
	(3) Where any amount of tax, interest or penalty is payable by a person to the Government under any of the provisions of this Act or the rules made thereunder and which remains unpaid, the proper officer of <b>central</b> tax, during the course of recovery of said tax arrears, may recover the amount from the said person as if it were an arrear of <b>central</b> tax and credit the amount so recovered to the account of the Government.	

	(4) Where the amount recovered under sub-section (3) is less than the amount due to the Central Government and State Government, the amount to be credited to the account of the respective Governments shall be in proportion to the amount due to each such Government.	
	80. On an application filed by a taxable person, the Commissioner may, for reasons to be recorded in writing, extend the time for payment or allow payment of any amount due under this Act, other than the amount due as per the liability self-assessed in any return, by such person in monthly instalments not exceeding twenty four, subject to payment of interest under section 50, subject to such conditions and limitations as may be prescribed:	Payment of tax and other amount in instalments.
	Provided that where there is default in payment of any one instalment on its due date, the whole outstanding balance payable on such date shall become due and payable forthwith and shall, without any further notice being served on the person, be liable for recovery.	
	81. Where a person, after any amount has become due from him, creates a charge on or parts with the property belonging to him or in his possession by way of sale, mortgage, exchange, or any other mode of transfer whatsoever of any of his properties in favour of any other person with the intention of defrauding the Government revenue, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the said person:	Transfer of property to be void in certain cases.
	Provided that, such charge or transfer shall not be void if it is made for adequate consideration, in good faith and without notice of the pendency of such proceedings under this Act or without notice of such tax or other sum payable by the said person, or with the previous permission of the proper officer.	
	82. Notwithstanding anything to the contrary contained in any law for the time being in force, save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, any amount payable by a taxable person or any other person on account of tax, interest or penalty which he is liable to pay to the Government	Tax to be first charge on property.

	shall be a first charge on the property of such taxable person or such person.	
	83. (1) Where during the pendency of any proceedings under section 62 or section 63 or section 64 or section 67 or section 73 or section 74, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue, it is necessary so to do, he may, by order in writing attach provisionally any property, including bank account, belonging to the taxable person in such manner as may be prescribed.	Provisional attachment to protect revenue in certain cases.
	(2) Every such provisional attachment shall cease to have effect after the expiry of a period of one year from the date of the order made under sub-section (1).	
	84. Where any notice of demand in respect of any tax, penalty, interest or any other amount payable under this Act, (hereafter in this section referred to as “Government dues”), is served upon any taxable person or any other person and any appeal or revision application is filed or any other proceedings is initiated in respect of such Government dues, then—	Continuation and validation of certain recovery proceedings.
	(a) where such Government dues are enhanced in such appeal, revision or other proceedings, the Commissioner shall serve upon the taxable person or any other person another notice of demand in respect of the amount by which such Government dues are enhanced and any recovery proceedings in relation to such Government dues as are covered by the notice of demand served upon him before the disposal of such appeal, revision or other proceedings may, without the service of any fresh notice of demand, be continued from the stage at which such proceedings stood immediately before such disposal;	
	(b) where such Government dues are reduced in such appeal, revision or in other proceedings—	
	(i) it shall not be necessary for the Commissioner to serve upon the taxable person a fresh notice of demand;	

	(ii) the Commissioner shall give intimation of such reduction to him and to the appropriate authority with whom recovery proceedings is pending;	
	(iii) any recovery proceedings initiated on the basis of the demand served upon him prior to the disposal of such appeal, revision or other proceedings may be continued in relation to the amount so reduced from the stage at which such proceedings stood immediately before such disposal.	
	<b>CHAPTER XVI</b> <b>LIABILITY TO PAY IN CERTAIN CASES</b>	
	85. (1) Where a taxable person, liable to pay tax under this Act, transfers his business in whole or in part, by sale, gift, lease, leave and license, hire or in any other manner whatsoever, the taxable person and the person to whom the business is so transferred shall, jointly and severally, be liable wholly or to the extent of such transfer, to pay the tax, interest or any penalty due from the taxable person up to the time of such transfer, whether such tax, interest or penalty has been determined before such transfer, but has remained unpaid or is determined thereafter.	Liability in case of transfer of business.
	(2) Where the transferee of a business referred to in sub-section (1) carries on such business either in his own name or in some other name, he shall be liable to pay tax on the supply of goods or services or both effected by him with effect from the date of such transfer and shall, if he is a registered person under this Act, apply within the prescribed time for amendment of his certificate of registration.	
	86. Where an agent supplies or receives any taxable goods on behalf of his principal, such agent and his principal shall, jointly and severally, be liable to pay the tax payable on such goods under this Act.	Liability of agent and principal.
	87. (1) When two or more companies are amalgamated or merged in pursuance of an order of court or of	Liability in case of amalgamation or

	Tribunal or otherwise and the order is to take effect from a date earlier to the date of the order and any two or more of such companies have supplied or received any goods or services or both to or from each other during the period commencing on the date from which the order takes effect till the date of the order, then such transactions of supply and receipt shall be included in the turnover of supply or receipt of the respective companies and they shall be liable to pay tax accordingly.	merger of companies.
	(2) Notwithstanding anything contained in the said order, for the purposes of this Act, the said two or more companies shall be treated as distinct companies for the period up to the date of the said order and the registration certificates of the said companies shall be cancelled with effect from the date of the said order.	
31 of 2016	88. (1) When any company is being wound up whether under the orders of a court or Tribunal or otherwise, every person appointed as receiver of any assets of a company (hereafter in this section referred to as the “liquidator”), shall, within thirty days after his appointment, give intimation of his appointment to the Commissioner.	Liability in case of company in liquidation.
	(2) The Commissioner shall, after making such inquiry or calling for such information as he may deem fit, notify the liquidator within three months from the date on which he receives intimation of the appointment of the liquidator, the amount which in the opinion of the Commissioner would be sufficient to provide for any tax, interest or penalty which is then, or is likely thereafter to become, payable by the company.	



	(3) When any private company is wound up and any tax, interest or penalty determined under this Act on the company for any period, whether before or in the course of or after its liquidation, cannot be recovered, then every person who was a director of such company at any time during the period for which the tax was due shall, jointly and severally, be liable for the payment of such tax, interest or penalty, unless he proves to the satisfaction of the Commissioner that such non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.	
18 of 2013.	89. (1) Notwithstanding anything contained in the Companies Act, 2013, where any tax, interest or penalty due from a private company in respect of any supply of goods or services or both for any period cannot be recovered, then, every person who was a director of the private company during such period shall, jointly and severally, be liable for the payment of such tax, interest or penalty unless he proves that the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the company.	Liability of directors of private company.
	(2) Where a private company is converted into a public company and the tax, interest or penalty in respect of any supply of goods or services or both for any period during which such company was a private company cannot be recovered before such conversion, then, nothing contained in sub-section (1) shall apply to any person who was a director of such private company in relation to any tax, interest or penalty in respect of such supply of goods or services or both of such private company:  Provided that nothing contained in this sub-section shall apply to any personal penalty imposed on such director.	
	90. Notwithstanding any contract to the contrary and any other law for the time being in force, where any firm is liable to pay any tax, interest or penalty under this	Liability of partners of firm to pay tax.

	Act, the firm and each of the partners of the firm shall, jointly and severally, be liable for such payment:	
	Provided that where any partner retires from the firm, he or the firm, shall intimate the date of retirement of the said partner to the Commissioner by a notice in that behalf in writing and such partner shall be liable to pay tax, interest or penalty due up to the date of his retirement whether determined or not, on that date:	
	Provided further that if no such intimation is given within one month from the date of retirement, the liability of such partner under the first proviso shall continue until the date on which such intimation is received by the Commissioner.	
	91. Where the business in respect of which any tax, interest or penalty is payable under this Act is carried on by any guardian, trustee or agent of a minor or other incapacitated person on behalf of and for the benefit of such minor or other incapacitated person, the tax, interest or penalty shall be levied upon and recoverable from such guardian, trustee or agent in like manner and to the same extent as it would be determined and recoverable from any such minor or other incapacitated person, as if he were a major or capacitated person and as if he were conducting the business himself, and all the provisions of this Act or the rules made thereunder shall, apply accordingly.	Liability of guardians, trustees etc.
	92. Where the estate or any portion of the estate of a taxable person owning a business in respect of which any tax, interest or penalty is payable under this Act is under the control of the Court of Wards, the Administrator General, the Official Trustee or any receiver or manager (including any person, whatever be his designation, who in fact manages the business) appointed by or under any order of a court, the tax, interest or penalty shall be levied upon and be recoverable from such Court of Wards, Administrator General, Official Trustee, receiver or manager in like manner and to the same extent as it would be determined and be recoverable from the taxable person as if he were conducting the business himself, and all the provisions of this Act or the rules made thereunder shall apply accordingly.	Liability of Court of Wards etc.

31 of 2016	93. (1) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, where a person, liable to pay tax, interest or penalty under this Act, dies, then—	Special provisions regarding liability to pay tax, interest or penalty in certain cases.
	(a) if a business carried on by the person is continued after his death by his legal representative or any other person, such legal representative or other person, shall be liable to pay tax, interest or penalty due from such person under this Act; and	
	(b) if the business carried on by the person is discontinued, whether before or after his death, his legal representative shall be liable to pay, out of the estate of the deceased, to the extent to which the estate is capable of meeting the charge, the tax, interest or penalty due from such person under this Act,	
	whether such tax, interest or penalty has been determined before his death but has remained unpaid or is determined after his death.	
31 of 2016	(2) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, where a taxable person, liable to pay tax, interest or penalty under this Act, is a Hindu undivided family or an association of persons and the property of the Hindu undivided family or the association of persons is partitioned amongst the various members or groups of members, then, each member or group of members shall, jointly and severally, be liable to pay the tax, interest or penalty due from the taxable person under this Act up to the time of the partition whether such tax, penalty or interest has been determined before partition but has remained unpaid or is determined after the partition.	

31 of 2016	(3) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, where a taxable person, liable to pay tax, interest or penalty under this Act, is a firm, and the firm is dissolved, then, every person who was a partner shall, jointly and severally, be liable to pay the tax, interest or penalty due from the firm under this Act up to the time of dissolution whether such tax, interest or penalty has been determined before the dissolution, but has remained unpaid or is determined after dissolution.	
31 of 2016	(4) Save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, where a taxable person liable to pay tax, interest or penalty under this Act,—	
	(a) is the guardian of a ward on whose behalf the business is carried on by the guardian; or	
	(b) is a trustee who carries on the business under a trust for a beneficiary,	
	then, if the guardianship or trust is terminated, the ward or the beneficiary shall be liable to pay the tax, interest or penalty due from the taxable person up to the time of the termination of the guardianship or trust, whether such tax, interest or penalty has been determined before the termination of guardianship or trust but has remained unpaid or is determined thereafter.	
	94. (1) Where a taxable person is a firm or an association of persons or a Hindu undivided family and such firm, association or family has discontinued business—	Liability in other cases.
	(a) the tax, interest or penalty payable under this Act by such firm, association or family up to the date of such discontinuance may be determined as if no such discontinuance had taken place; and	
	(b) every person who, at the time of such discontinuance, was a partner of such firm, or a member of such association or family, shall, notwithstanding such discontinuance, jointly and severally, be liable for the payment of tax and interest determined and penalty imposed and payable by such	

	firm, association or family, whether such tax and interest has been determined or penalty imposed prior to or after such discontinuance and subject as aforesaid, the provisions of this Act shall, so far as may be, apply as if every such person or partner or member were himself a taxable person.	
	(2) Where a change has occurred in the constitution of a firm or an association of persons, the partners of the firm or members of association, as it existed before and as it exists after the reconstitution, shall, without prejudice to the provisions of section 90, jointly and severally, be liable to pay tax, interest or penalty due from such firm or association for any period before its reconstitution.	
	(3) The provisions of sub-section (1) shall, so far as may be, apply where the taxable person, being a firm or association of persons is dissolved or where the taxable person, being a Hindu Undivided Family, has effected partition with respect to the business carried on by it and accordingly references in that sub-section to discontinuance shall be construed as reference to dissolution or, as the case may be, to partition.	
	<i>Explanation.</i> —For the purposes of this Chapter,—	
743 of 2012.	(a) a “Limited Liability Partnership” formed and registered under the provisions of the Limited Liability Partnership Act, 2012 shall also be considered as a firm;	
	(b) “court” means the District Court, High Court or Supreme Court.	
	<b>CHAPTER XVII ADVANCE RULING</b>	
	95. In this Chapter, unless the context otherwise requires,—	Definitions.
	(a) “advance ruling” means a decision provided by the Authority or the Appellate Authority to an	

	applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;	
	(b) “applicant” means any person registered or desirous of obtaining registration under this Act;	
	(c) “application” means an application made to the Authority under sub-section (1) of section 97;	
	(d) “Authority” means the Authority for Advance Ruling, <i>constituted under section 96</i> ;	
	(e) "Appellate Authority" means the Appellate Authority for Advance Ruling <i>constituted under section 99</i> .	
	<b>96. (1) The Government shall, by notification, constitute an Authority to be known as the &lt;Name of the State&gt; Authority for Advance Ruling:</b>	<b><i>Constitution of Authority for Advance Ruling.</i></b>
	<b><i>Provided that the Government may, on the recommendation of the Council, notify any Authority located in another State to act as the Authority for the State.</i></b>	
	<b>(2) The Authority shall consist of-</b> <b>(i) one member from amongst the officers of central tax; and</b> <b>(ii) one member from amongst the officers of State tax, to be appointed by the Central Government and the State Government respectively.</b>	
	<b>(3) The qualifications, the method of appointment of the members and the terms and conditions of their services shall be such as may be prescribed.</b>	
	<b>97. (1) An applicant desirous of obtaining an advance ruling under this Chapter may make an application in such form and manner and accompanied by such fee</b>	<b>Application for advance ruling.</b>

	as may be prescribed, stating the question on which the advance ruling is sought.	
	(2) The question on which the advance ruling is sought under this Act, shall be in respect of, -	
	(a) classification of any goods or services or both;	
	(b) applicability of a notification issued under the provisions of this Act;	
	(c) determination of time and value of supply of goods or services or both;	
	(d) admissibility of input tax credit of tax paid or deemed to have been paid;	
	(e) determination of the liability to pay tax on any goods or services or both;	
	(f) whether applicant is required to be registered;	
	(g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.	
	98. (1) On receipt of an application, the Authority shall cause a copy thereof to be forwarded to the concerned officer and, if necessary, call upon him to furnish the relevant records:	Procedure on receipt of application.
	Provided that where any records have been called for by the Authority in any case, such records shall, as soon as possible, be returned to the said concerned officer.	
	(2) The Authority may, after examining the application and the records called for and after hearing the applicant or his authorised representative and the concerned officer or his authorised representative, by order, either admit or reject the application:	
	Provided that the Authority shall not admit the application where the question raised in the application is	

	already pending or decided in any proceedings in the case of an applicant under any of the provisions of this Act:	
	Provided further that no application shall be rejected under this sub-section unless an opportunity of hearing has been given to the applicant:	
	Provided also that where the application is rejected, the reasons for such rejection shall be specified in the order.	
	(3) A copy of every order made under sub-section (2) shall be sent to the applicant and to the concerned officer.	
	(4) Where an application is admitted under sub-section (2), the Authority shall, after examining such further material as may be placed before it by the applicant or obtained by the Authority and after providing an opportunity of being heard to the applicant or his authorised representative as well as to the concerned officer or his authorised representative, pronounce its advance ruling on the question specified in the application.	
	(5) Where the members of the Authority differ on any question on which the advance ruling is sought, they shall state the point or points on which they differ and make a reference to the Appellate Authority for hearing and decision on such question.	
	(6) The Authority shall pronounce its advance ruling in writing within ninety days from the date of receipt of application.	
	(7) A copy of the advance ruling pronounced by the Authority duly signed by the members and certified in such manner as may be prescribed shall be sent to the applicant, the concerned officer and the jurisdictional officer after such pronouncement.	
	<b>99. (1) The Government shall, by notification, constitute an Authority to be known as &lt;Name of the State&gt; Appellate Authority for Advance Ruling for Goods and Services Tax for hearing appeals against the</b>	<b>Constitution of Appellate Authority for Advance Ruling.</b>



	<i>advance ruling pronounced by the Advance Ruling Authority:</i>	
	<i>Provided that the Government may, on the recommendations of the Council, notify any Appellate Authority located in another State or Union territory to act as the Appellate Authority for the State.</i>	
	(2) <i>The Appellate Authority shall consist of-</i> <i>(i) the Chief Commissioner of central tax as designated by the Board; and</i> <i>(ii) the Commissioner of State tax having jurisdiction over the applicant.</i>	
	100. (1) The concerned officer, the jurisdictional officer or an applicant aggrieved by any advance ruling pronounced under sub-section (4) of section 98, may appeal to the Appellate Authority.	Appeal to the Appellate Authority.
	(2) Every appeal under this section shall be filed within a period of thirty days from the date on which the ruling sought to be appealed against is communicated to the concerned officer, the jurisdictional officer and the applicant:	
	Provided that the Appellate Authority may, if it is satisfied that the appellant was prevented by a sufficient cause from presenting the appeal within the said period of thirty days, allow it to be presented within a further period not exceeding thirty days.	
	(3) Every appeal under this section shall be in such form, accompanied by such fee and verified in such manner as may be prescribed.	
	101. (1) The Appellate Authority may, after giving the parties to the appeal or reference an opportunity of being heard, pass such order as it think fit, confirming or modifying the ruling appealed against or referred to.	Orders of Appellate Authority.

	(2) The order referred to in sub-section (1) shall be passed within a period of ninety days from the date of filing of the appeal under section 100 or a reference under sub-section (5) of section 98.	
	(3) Where the members of the Appellate Authority differ on any point or points referred to in appeal or reference, it shall be deemed that no advance ruling can be issued in respect of the question under the appeal or reference.	
	(4) A copy of the advance ruling pronounced by the Appellate Authority duly signed by the Members and certified in such manner as may be prescribed shall be sent to the applicant, the concerned officer, the jurisdictional officer and to the Authority after such pronouncement.	
	102. The Authority or the Appellate Authority may amend any order passed by it under section 98 or section 101, so as to rectify any error apparent on the face of the record, if such error is noticed by the Authority or the Appellate Authority on its own accord, or is brought to its notice by the concerned officer, the jurisdictional officer or the applicant within a period of six months from the date of the order:	Rectification of advance ruling.
	Provided that no rectification which has the effect of enhancing the tax liability or reducing the amount of admissible input tax credit shall be made unless the applicant or the appellant has been given an opportunity of being heard.	
	103. (1) The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only -	Applicability of advance ruling.
	(a) on the applicant who had sought it in respect of any matter referred to in sub-section (2) of section 97 for advance ruling;	
	(b) on the concerned officer or the jurisdictional officer in respect of the applicant .	

	(2) The advance ruling referred to in sub-section (1) shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.	
	104. (1) Where the Authority or the Appellate Authority finds that advance ruling pronounced by it under sub-section (4) of section 98 or under sub-section (1) of section 101 has been obtained by the applicant or the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void <i>ab-initio</i> and thereupon all the provisions of this Act or the rules made thereunder shall apply to the applicant as if such advance ruling had never been made:	Advance ruling to be void in certain circumstances.
	Provided that no order shall be passed under this sub-section unless an opportunity of being heard has been given to the applicant.	
	<i>Explanation.</i> —The period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded while computing the period specified in sub-sections (2) and (10) of section 73 or sub-section (2) and (10) of section 74.	
	(2) A copy of the order made under sub-section (1) shall be sent to the applicant, the concerned officer and the jurisdictional officer.	
5 of 1908.	105. (1) The Authority or the Appellate Authority shall, for the purpose of exercising its powers regarding – (a) discovery and inspection; (b) enforcing the attendance of any person and examining him on oath; (c) issuing commissions and compelling production of books of account and other records,  have all the powers of a civil court under the Code of Civil Procedure, 1908.	Powers of Authority and Appellate Authority.

2 of 1974.  45 of 1860.	(2) The Authority or the Appellate Authority shall be deemed to be a civil court for the purposes of section 195, but not for the purposes of Chapter XXVI of the Code of Criminal Procedure, 1973, and every proceedings before the Authority or the Appellate Authority shall be deemed to be a judicial proceedings within the meaning of sections 193 and 228, and for the purpose of section 196 of the Indian Penal Code.	
	106. The Authority or the Appellate Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure.	Procedure of Authority and Appellate Authority.
	CHAPTER–XVIII APPEALS AND REVISION	
	107. (1) Any person aggrieved by any decision or order passed under this Act or the <b>Central</b> Goods and Services Tax Act by an adjudicating authority may appeal to such Appellate Authority as may be prescribed within three months from the date on which the said decision or order is communicated to such person.	Appeals to Appellate Authority.
	(2) The Commissioner may, on his own motion, or upon request from the Commissioner of <b>central</b> tax, call for and examine the record of any proceeding in which an adjudicating authority has passed any decision or order under this Act or the <b>Central</b> Goods and Services Tax Act, for the purpose of satisfying himself as to the legality or propriety of the said decision or order and may, by order, direct any officer subordinate to him to apply to the Appellate Authority within six months from the date of communication of the said decision or order for the determination of such points arising out of the said decision or order as may be specified by the Commissioner in his order.	

	(3) Where, in pursuance of an order under sub-section (2), the authorised officer makes an application to the Appellate Authority, such application shall be dealt with by the Appellate Authority as if it were an appeal made against the decision or order of the adjudicating authority and such authorised officer were an appellant and the provisions of this Act relating to appeals shall apply to such application.	
	(4) The Appellate Authority may, if he is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within the aforesaid period of three months or six months, as the case may be, allow it to be presented within a further period of one month.	
	(5) Every appeal under this section shall be in such form and shall be verified in such manner as may be prescribed.	
	(6) No appeal shall be filed under sub-section (1), unless the appellant has paid –	
	(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and	
	(b) a sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order, in relation to which the appeal has been filed.	
	(7) Where the appellant has paid the amount under sub-section (6), the recovery proceedings for the balance amount shall be deemed to be stayed.	
	(8) The Appellate Authority shall give an opportunity to the appellant of being heard.	
	(9) The Appellate Authority may, if sufficient cause is shown at any stage of hearing of an appeal, grant time to the parties or any of them and adjourn the hearing of the appeal for reasons to be recorded in writing:	

	Provided that no such adjournment shall be granted more than three times to a party during hearing of the appeal.	
	(10) The Appellate Authority may, at the time of hearing of an appeal, allow an appellant to add any ground of appeal not specified in the grounds of appeal, if it is satisfied that the omission of that ground from the grounds of appeal was not wilful or unreasonable.	
	(11) The Appellate Authority shall, after making such further inquiry as may be necessary, pass such order, as it thinks just and proper, confirming, modifying or annulling the decision or order appealed against but shall not refer the case back to the adjudicating authority that passed the said decision or order:	
	Provided that an order enhancing any fee or penalty or fine in lieu of confiscation or confiscating goods of greater value or reducing the amount of refund or input tax credit shall not be passed unless the appellant has been given a reasonable opportunity of showing cause against the proposed order:	
	Provided further that where the Appellate Authority is of the opinion that any tax has not been paid or short-paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, no order requiring the appellant to pay such tax or input tax credit shall be passed unless the appellant is given notice to show cause against the proposed order and the order is passed within the time limit specified under section 73 or section 74.	
	(12) The order of the Appellate Authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for such decision.	
	(13) The Appellate Authority shall, where it is possible to do so, hear and decide every appeal within a period of one year from the date on which it is filed:	

	Provided that where the issuance of order is stayed by an order of a court or Tribunal, the period of such stay shall be excluded in computing the period of one year.	
	(14) On disposal of the appeal, the Appellate Authority shall communicate the order passed by it to the appellant, respondent and to the adjudicating authority.	
	(15) A copy of the order passed by the Appellate Authority shall also be sent to the Commissioner or the authority designated by him in this behalf and the jurisdictional Commissioner of <b>central</b> tax or an authority designated by him in this behalf.	
	(16) Every order passed under this section shall, subject to the provisions of section 108 or section 113 or section 117 or section 118 be final and binding on the parties.	
	108. (1) Subject to the provisions of section 121 and any rules made thereunder, the Revisional Authority may on his own motion, or upon information received by him or on request from the Commissioner of <b>central</b> tax, call for and examine the record of any proceedings, and if he considers that any decision or order passed under this Act or under the <b>Central</b> Goods and Services Tax Act by any officer subordinate to him is erroneous in so far as it is prejudicial to the interest of revenue and is illegal or improper or has not taken into account certain material facts, whether available at the time of issuance of the said order or not or in consequence of an observation by the Comptroller and Auditor General of India, he may, if necessary, stay the operation of such decision or order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making such further inquiry as may be necessary, pass such order, as he thinks just and proper, including enhancing or modifying or annulling the said decision or order.	Powers of Revisional Authority.
	(2) The Revisional Authority shall not exercise any power under sub-section (1), if—	

	(a) the order has been subject to an appeal under section 107 or section 112 or section 117 or section 118; or	
	(b) the period specified under sub-section (2) of section 107 has not yet expired or more than three years have expired after the passing of the decision or order sought to be revised; or	
	(c) the order has already been taken for revision under this section at an earlier stage; or	
	(d) the order has been passed in exercise of the powers under sub-section (1):	
	Provided that the Revisional Authority may pass an order under sub-section (1) on any point which has not been raised and decided in an appeal referred to in clause (a) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or before the expiry of a period of three years referred to in clause (b) of that sub-section, whichever is later.	
	(3) Every order passed in revision under sub-section (1) shall, subject to the provisions of section 113 or section 117 or section 118, be final and binding on the parties.	
	(4) If the said decision or order involves an issue on which the Appellate Tribunal or the High Court has given its decision in some other proceedings and an appeal to the High Court or the Supreme Court against such decision of the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Tribunal and the date of the decision of the High Court or the date of the decision of the Supreme Court shall be excluded in computing the period of limitation referred to in clause (b) of sub-section (2) where proceedings for revision have been initiated by way of issue of a notice under this section.	



	(5) Where the issuance of an order under sub-section (1) is stayed by the order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of limitation referred to in clause (b) of sub-section (2).	
	(6) For the purposes of this section, the term,—	
	(i) “record” shall include all records relating to any proceedings under this Act available at the time of examination by the Revisional Authority;	
	(ii) “decision” shall include intimation given by any officer lower in rank than the Revisional Authority.	
	<b>109. (1) The Goods and Services Tax Tribunal constituted by the Central Government shall be the Appellate Tribunal under this Act for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority.</b>	<b>Appellate Tribunal and Benches thereof.</b>
	<b>(2) The constitution and jurisdiction of the State Bench and the Area Benches located in the State shall be governed as per section 109 of the Central Goods and Services Tax Act or the rules made thereunder.</b>	
	<b>110. Qualification, appointment, salary and allowances, terms of office, resignation, removal, with respect to the President and Members of the State Bench and Area Benches shall be as per section 110 of the Central Goods and Services Tax Act.</b>	<b>President and Members of Appellate Tribunal, their qualification, appointment, conditions of service, etc.</b>
5 of 1908.	<b>111. (1) The Appellate Tribunal shall not, while disposing of any proceedings before it or an appeal before it, be bound by the procedure laid down in the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and subject to the other provisions of this Act and the rules made thereunder, the Appellate Tribunal shall have power to regulate its own procedure.</b>	<b>Procedure before Appellate Tribunal.</b>

5 of 1908.	(2) The Appellate Tribunal shall, for the purposes of discharging its functions under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 while trying a suit in respect of the following matters, namely:—	
	(a) summoning and enforcing the attendance of any person and examining him on oath;	
	(b) requiring the discovery and production of documents;	
	(c) receiving evidence on affidavits;	
1 of 1872.	(d) subject to the provisions of sections 123 and 124 of the Indian Evidence Act, 1872, requisitioning any public record or document or a copy of such record or document from any office;	
	(e) issuing commissions for the examination of witnesses or documents;	
	(f) dismissing a representation for default or deciding it <i>ex parte</i> ;	
	(g) setting aside any order of dismissal of any representation for default or any order passed by it <i>ex parte</i> ; and	
	(h) any other matter which may be prescribed.	
	(3) Any order made by the Appellate Tribunal may be enforced by it in the same manner as if it were a decree made by a court in a suit pending therein, and it shall be lawful for the Appellate Tribunal to send for execution of its orders to the court within the local limits of whose jurisdiction,—	
	(a) in the case of an order against a company, the registered office of the company is situated; or	
	(b) in the case of an order against any other person, the person concerned voluntarily resides or carries on business or personally works for gain.	

45 of 1860.  2 of 1974.	(4) All proceedings before the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228, and for the purposes of section 196 of the Indian Penal Code, and the Appellate Tribunal shall be deemed to be civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973.	
	112. (1) Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the <b>Central</b> Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal.	Appeals to Appellate Tribunal.
	(2) The Appellate Tribunal may, in its discretion, refuse to admit any such appeal where the tax or input tax credit involved or the difference in tax or input tax credit involved or the amount of fine, fee or penalty determined by such order, does not exceed fifty thousand rupees.	
	(3) The Commissioner may, on his own motion, or upon request from the Commissioner of <b>central</b> tax, call for and examine the record of any order passed by the Appellate Authority or the Revisional Authority under this Act or under the <b>Central</b> Goods And Services Tax Act for the purpose of satisfying himself as to the legality or propriety of the said order and may, by order, direct any officer subordinate to him to apply to the Appellate Tribunal within six months from the date on which the said order has been passed for determination of such points arising out of the said order as may be specified by the Commissioner in his order.	

	(4) Where in pursuance of an order under sub-section (3) the authorised officer makes an application to the Appellate Tribunal, such application shall be dealt with by the Appellate Tribunal as if it were an appeal made against the order under sub-section (11) of section 107 or under sub-section (1) of section 108 and the provisions of this Act shall apply to such application, as they apply in relation to appeals filed under sub-section (1).	
	(5) On receipt of notice that an appeal has been preferred under this section, the party against whom the appeal has been preferred may, notwithstanding that he may not have appealed against such order or any part thereof, file, within forty-five days of the receipt of notice, a memorandum of cross-objections, verified in the prescribed manner, against any part of the order appealed against and such memorandum shall be disposed of by the Appellate Tribunal, as if it were an appeal presented within the time specified in sub-section (1).	
	(6) The Appellate Tribunal may admit an appeal within three months after the expiry of the period referred to in sub-section (1), or permit the filing of a memorandum of cross-objections within forty-five days after the expiry of the period referred to in sub-section (5), if it is satisfied that there was sufficient cause for not presenting it within that period.	
	(7) An appeal to the Appellate Tribunal shall be in such form, verified in such manner and shall be accompanied by such fee, as may be prescribed.	
	(8) No appeal shall be filed under sub-section (1), unless the appellant has paid —	
	(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and	
	(b) a sum equal to twenty per cent. of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of the section 107, arising from the said order, in relation to which the appeal has been filed.	

	(9) Where the appellant has paid the amount as per sub-section (8), the recovery proceedings for the balance amount shall be deemed to be stayed till the disposal of the appeal.	
	(10) Every application made before the Appellate Tribunal, —	
	(a) in an appeal for rectification of error or for any other purpose; or	
	(b) for restoration of an appeal or an application,	
	shall be accompanied by such fees as may be prescribed.	
	113. (1) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or annulling the decision or order appealed against or may refer the case back to the Appellate Authority, or the Revisional Authority or to the original adjudicating authority, with such directions as it may think fit, for a fresh adjudication or decision after taking additional evidence, if necessary.	Orders of Appellate Tribunal.
	(2) The Appellate Tribunal may, if sufficient cause is shown, at any stage of hearing of an appeal, grant time to the parties or any of them and adjourn the hearing of the appeal for reasons to be recorded in writing:	
	Provided that no such adjournment shall be granted more than three times to a party during hearing of the appeal.	
	(3) The Appellate Tribunal may amend any order passed by it under sub-section (1) so as to rectify any error apparent on the face of the record, if such error is noticed by it on its own accord, or is brought to its notice by the Commissioner or the Commissioner of <i>central</i> tax or the other party to the appeal within a period of three months from the date of the order:	
	Provided that no amendment which has the effect of enhancing an assessment or reducing a refund or input tax	

	credit or otherwise increasing the liability of the other party, shall be made under this sub-section, unless the party has been given an opportunity of being heard.	
	(4) The Appellate Tribunal shall, as far as possible, hear and decide every appeal within a period of one year from the date on which it is filed.	
	(5) The Appellate Tribunal shall send a copy of every order passed under this section to the Appellate Authority or the Revisional Authority, or the original adjudicating authority, as the case may be, the appellant and the Commissioner or the jurisdictional Commissioner of <b>central</b> tax.	
	(6) Save as provided in section 117 or section 118, orders passed by the Appellate Tribunal on an appeal shall be final and binding on the parties.	
	114. <b><i>The State President shall exercise such financial and administrative powers over the State Bench and Area Benches of the Appellate Tribunal in a State, as may be prescribed:</i></b>	<b><i>Financial and administrative powers of State President.</i></b>
	<b><i>Provided that the State President shall have the authority to delegate such of his financial and administrative powers as he may think fit to any other Member or any officer of the State Bench or Area Benches, subject to the condition that such Member or officer shall, while exercising such delegated powers, continue to act under the direction, control and supervision of the State President.</i></b>	
	115. Where an amount paid by the appellant under sub-section (6) of section 107 or under sub-section (8) of section 112 is required to be refunded consequent to any order of the Appellate Authority or of the Appellate Tribunal, interest at the rate specified under section 56 shall be payable in respect of such refund from the date of payment of the amount till the date of refund of such amount.	Interest on refund of amount paid for admission of appeal.
	116. (1) Any person who is entitled or required to appear before an officer appointed under this Act, or the Appellate Authority or the Appellate Tribunal in connection with any proceedings under this Act, may,	Appearance by authorised representative.

	otherwise than when required under this Act to appear personally for examination on oath or affirmation, subject to the other provisions of this section, appear by an authorised representative.	
	(2) For the purposes of this Act, the expression “authorised representative” shall mean a person authorised by the person referred to in sub-section (1) to appear on his behalf, being —	
	(a) his relative or regular employee; or	
	(b) an advocate who is entitled to practice in any court in India, and who has not been debarred from practicing before any court in India; or	
	(c) any chartered accountant, a cost accountant or a company secretary, who holds a certificate of practice and who has not been debarred from practice; or	
	(d) a retired officer of the Commercial Tax Department of any State Government or Union territory or of the Board who, during his service under the Government, had worked in a post not below the rank than that of a Group-B Gazetted officer for a period of not less than two years:	
	Provided that such officer shall not be entitled to appear before any proceedings under this Act for a period of one year from the date of his retirement or resignation; or	
	(e) any person who has been authorised to act as a goods and services tax practitioner on behalf of the concerned registered person.	
	(3) No person, —	
	(a) who has been dismissed or removed from Government service; or	
	(b) who is convicted of an offence connected with any proceedings under this Act, the <b>Central</b> Goods and Services Tax Act, the Integrated Goods and Services Tax Act or the Union Territory Goods and Services	

	Tax Act, or under the existing law or under any of the Acts passed by a State Legislature dealing with the imposition of taxes on sale of goods or supply of goods or services or both; or	
	(c) who is found guilty of misconduct by the prescribed authority;	
	(d) who has been adjudged as an insolvent,	
	shall be qualified to represent any person under sub-section (1)—	
	(i) for all times in case of persons referred to in clauses (a) , (b) and (c); and	
	(ii) for the period during which the insolvency continues in the case of a person referred to in clause (d).	
	(4) Any person who has been disqualified under the provisions of the <b><i>Central</i></b> Goods and Services Tax Act <b><i>or the Goods and Services Tax Act of any other State</i></b> or the Union Territory Goods and Services Tax Act shall be deemed to be disqualified under this Act.	
	117. (1) Any person aggrieved by any order passed by the State Bench or Area Benches of the Appellate Tribunal may file an appeal to the High Court and the High Court may admit such appeal, if it is satisfied that the case involves a substantial question of law.	Appeal to High Court.
	(2) An appeal under sub-section (1) shall be filed within a period of one hundred and eighty days from the date on which the order appealed against is received by the aggrieved person and it shall be in such form, verified in such manner as may be prescribed:	
	Provided that the High Court may entertain an appeal after the expiry of the said period if it is satisfied that there was sufficient cause for not filing it within such period.	



	(3) Where the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question and the appeal shall be heard only on the question so formulated, and the respondents shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question:	
	Provided that nothing in this sub-section shall be deemed to take away or abridge the power of the court to hear, for reasons to be recorded, the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question.	
	(4) The High Court shall decide the question of law so formulated and deliver such judgment thereon containing the grounds on which such decision is founded and may award such cost as it deems fit.	
	(5) The High Court may determine any issue which—	
	(a) has not been determined by the State Bench or Area Benches; or	
	(b) has been wrongly determined by the State Bench or Area Benches, by reason of a decision on such question of law as herein referred to in sub-section (3).	
	(6) Where an appeal has been filed before the High Court, it shall be heard by a Bench of not less than two Judges of the High Court, and shall be decided in accordance with the opinion of such Judges or of the majority, if any, of such Judges.	
	(7) Where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall, then, be heard upon that point only, by one or more of the other Judges of the High Court and such point shall be decided according to the opinion of the majority of the Judges who have heard the case including those who first heard it.	

	(8) Where the High Court delivers a judgment in an appeal filed before it under this section, effect shall be given to such judgment by either side on the basis of a certified copy of the judgment.	
5 of 1908	(9) Save as otherwise provided in this Act, the provisions of the Code of Civil Procedure, 1908, relating to appeals to the High Court shall, as far as may be, apply in the case of appeals under this section.	
	118. (1) An appeal shall lie to the Supreme Court-  (a) from any order passed by the National Bench or Regional Benches of the Appellate Tribunal; or	Appeal to Supreme Court.
	(b) from any judgment or order passed by the High Court in an appeal made under section 117 in any case which, on its own motion or on an application made by or on behalf of the party aggrieved, immediately after passing of the judgment or order, the High Court certifies to be a fit one for appeal to the Supreme Court.	
5 of 1908	(2) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the Supreme Court shall, so far as may be, apply in the case of appeals under this section as they apply in the case of appeals from decrees of a High Court.	
	(3) Where the judgment of the High Court is varied or reversed in the appeal, effect shall be given to the order of the Supreme Court in the manner provided in section 117 in the case of a judgment of the High Court.	
	119. Notwithstanding that an appeal has been preferred to the High Court or the Supreme Court, sums due to the Government as a result of an order passed by the National or Regional Benches of the Appellate Tribunal under sub-section (1) of section 113 or an order passed by the State Bench or Area Benches of the Appellate Tribunal under sub-section (1) of section 113 or an order passed by the High Court under section 117, as the case may be, shall be payable in accordance with the order so passed.	Sums due to be paid notwithstanding appeal etc.

	120. (1) The Commissioner may, on the recommendations of the Council, from time to time, issue orders or instructions or directions fixing such monetary limits, as he may deem fit, for the purposes of regulating the filing of appeal or application by the officer of the <b>State</b> tax under the provisions of this Chapter.	Appeal not to be filed in certain cases.
	(2) Where, in pursuance of the orders or instructions or directions issued under sub-section (1), the officer of the <b>State</b> tax has not filed an appeal or application against any decision or order passed under the provisions of this Act, it shall not preclude such officer of the <b>State</b> tax from filing appeal or application in any other case involving the same or similar issues or questions of law.	
	(3) Notwithstanding the fact that no appeal or application has been filed by the officer of the <b>State</b> tax pursuant to the orders or instructions or directions issued under sub-section (1), no person, being a party in appeal or application shall contend that the officer of the <b>State</b> tax has acquiesced in the decision on the disputed issue by not filing an appeal or application.	
	(4) The Appellate Tribunal or court hearing such appeal or application shall have regard to the circumstances under which appeal or application was not filed by the officer of the <b>State</b> tax in pursuance of the orders or instructions or directions issued under sub-section (1).	
	121. Notwithstanding anything to the contrary in any provisions of this Act, no appeal shall lie against any decision taken or order passed by an officer of <b>State</b> tax if such decision taken or order passed relates to any one or more of the following matters, namely:—	Non Appealable decisions and orders.
	(a) an order of the Commissioner or other authority empowered to direct transfer of proceedings from one officer to another officer; or	
	(b) an order pertaining to the seizure or retention of books of account, register and other documents; or	

	(c) an order sanctioning prosecution under this Act; or	
	(d) an order passed under section 80.	
	<b>CHAPTER XIX OFFENCES AND PENALTIES</b>	
	122. (1) Where a taxable person who—	Penalty for certain offences.
	(i) supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply;	
	(ii) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder;	
	(iii) collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;	
	(iv) collects any tax in contravention of the provisions of this Act but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;	
	(v) fails to deduct the tax in terms of sub-section (1) of section 51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) thereof, the amount deducted as tax;	
	(vi) fails to collect tax in terms of sub-section (1) of section 52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of section 52;	
	(vii) takes or utilizes input tax credit without actual receipt of goods or services or both either fully or	

	partially, in contravention of the provisions of this Act; or the rules made thereunder;	
	(viii) fraudulently obtains refund of tax under this Act;	
	(ix) takes or distributes input tax credit in contravention of section 20, or the rules made thereunder;	
	(x) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act;	
	(xi) is liable to be registered under this Act but fails to obtain registration;	
	(xii) furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;	
	(xiii) obstructs or prevents any officer in discharge of his duties under this Act;	
	(xiv) transports any taxable goods without the cover of documents as may be specified in this behalf;	
	(xv) suppresses his turnover leading to evasion of tax under this Act;	
	(xvi) fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder;	
	(xvii) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder or furnishes false information or documents during any proceedings under this Act;	
	(xviii) supplies, transports or stores any goods which he has reasons to believe are liable to confiscation under this Act;	

	(xix) issues any invoice or document by using the registration number of another registered person;	
	(xx) tampers with, or destroys any material evidence or documents;	
	(xxi) disposes off or tampers with any goods that have been detained, seized, or attached under this Act,	
	he shall be liable to pay a penalty of ten thousand rupees or an amount equivalent to the tax evaded or the tax not deducted under section 51 or short deducted or deducted but not paid to the Government or tax not collected under section 52 or short collected or collected but not paid to the Government or input tax credit availed of or passed on or distributed irregularly, or the refund claimed fraudulently, whichever is higher.	
	(2) Any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten per cent. of the tax due from such person, whichever is higher.	
	(3) Any person who—	
	(a) aids or abets any of the offences specified in clauses (i) to (xxi) of sub-section (1);	
	(b) acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made thereunder;	
	(c) receives or is in any way concerned with the supply of, or in any other manner deals with any supply of services which he knows or has reasons to	

	believe are in contravention of any provisions of this Act or the rules made thereunder;	
	(d) fails to appear before the officer of <i>State</i> tax, when issued with a summon for appearance to give evidence or produce a document in an inquiry;	
	(e) fails to issue invoice in accordance with the provisions of this Act or the rules made thereunder or fails to account for an invoice in his books of account,	
	shall be liable to a penalty which may extend to twenty five thousand rupees.	
	123. If a person who is required to furnish an information return under section 150 fails to do so within the period specified in the notice issued under sub-section (3) thereof, the proper officer may direct, that such person shall be liable to pay a penalty of one hundred rupees for each day of the period during which the failure to furnish such return continues:	Penalty for failure to furnish information return.
	Provided that the penalty imposed under this section shall not exceed five thousand rupees.	
	124. If any person required to furnish any information or return under section 151—	Fine for failure to furnish statistics.
	(a) without reasonable cause fails to furnish such information or return as may be required under that section, or	
	(b) wilfully furnishes or causes to furnish any information or return which he knows to be false,	
	he shall be punishable with a fine which may extend to ten thousand rupees and in case of a continuing offence to a further fine which may extend to one hundred rupees for each day after the first day during which the offence continues subject to a maximum limit of twenty-five thousand rupees.	
	125. Any person, who contravenes any of the provisions of this Act or any rules made thereunder for which no penalty is separately provided for in this	General penalty.

	Act, shall be liable to a penalty which may extend to twenty five thousand rupees.	
	126. (1) No officer under this Act shall impose any penalty for minor breaches of tax regulations or procedural requirements and in particular, any omission or mistake in documentation which is easily rectifiable and made without fraudulent intent or gross negligence.	General disciplines related to penalty.
	<i>Explanation.</i> —For the purpose of this sub-section,—	
	(a) a breach shall be considered a ‘minor breach’ if the amount of tax involved is less than five thousand rupees;	
	(b) an omission or mistake in documentation shall be considered to be easily rectifiable if the same is an error apparent on the face of record.	
	(2) The penalty imposed under this Act shall depend on the facts and circumstances of each case and shall be commensurate with the degree and severity of the breach.	
	(3) No penalty shall be imposed on any person without giving him an opportunity of being heard.	
	(4) The officer under this Act shall while imposing penalty in an order for a breach of any law, regulation or procedural requirement, specify the nature of the breach and the applicable law, regulation or procedure under which the amount of penalty for the breach has been specified.	
	(5) When a person voluntarily discloses to an officer under this Act the circumstances of a breach of the tax law, regulation or procedural requirement prior to the discovery of the breach by the officer under this Act, the proper officer may consider this fact as a mitigating factor when quantifying a penalty for that person.	



	(6) The provisions of this section shall not apply in such cases where the penalty specified under this Act is either a fixed sum or expressed as a fixed percentage.	
	127. Where the proper officer is of the view that a person is liable to a penalty and the same is not covered under any proceedings under section 62 or section 63 or section 64 or section 73 or section 74 or section 129 or section 130, he may issue an order levying such penalty after giving a reasonable opportunity of being heard to such person.	Power to impose penalty in certain cases.
	128. The Government may, by notification, waive in part or full, any penalty referred to in section 122 or section 123 or section 125 or any late fee referred to in section 47 for such class of taxpayers and under such mitigating circumstances as may be specified therein on the recommendations of the Council.	Power to waive penalty or fee or both
	129. (1) Notwithstanding anything contained in this Act, where any person transports any goods or stores any goods while they are in transit in contravention of the provisions of this Act or the rules made thereunder, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyances shall be liable to detention or seizure and after detention or seizure, shall be released,—	Detention, Seizure and release of goods and conveyances in transit.
	(a) on payment of the applicable tax and penalty equal to one hundred per cent. of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two per cent of the value of goods or twenty five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty;	
	(b) on payment of the applicable tax and penalty equal to the fifty per cent. of the value of the goods reduced by the tax amount paid thereon and, in case of exempted goods, on payment of an amount equal to five per cent of the value of goods or twenty five thousand rupees, whichever is less, where the owner of the goods does not	

	come forward for payment of such tax and penalty;	
	(c) upon furnishing a security equivalent to the amount payable under clause (a) or clause (b) in such form and manner as may be prescribed:	
	Provided that no such goods or conveyance shall be detained or seized without serving an order of detention or seizure on the person transporting the goods.	
	(2) The provisions of sub-section (6) of section 67 shall, <i>mutatis mutandis</i> , apply for detention and seizure of goods and conveyances.	
	(3) The proper officer detaining or seizing goods or conveyances shall issue a notice specifying the tax and penalty payable and thereafter, pass an order for payment of tax and penalty under clause (a) or clause (b) or clause (c).	
	(4) No tax, interest or penalty shall be determined under sub-section (2) without giving the person concerned an opportunity of being heard.	
	(5) On payment of amount referred in sub-section (1), all proceedings in respect of the notice specified in sub-section (2) shall be deemed to be concluded.	
	(6) Where the person transporting any goods or the owner of the goods fails to pay the amount of tax and penalty as provided in sub-section (1) within seven days of such detention or seizure, further proceedings shall be initiated in terms of section 130:	
	Provided that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of seven days may be reduced by the proper officer.	
	130. (1) Notwithstanding anything contained in this Act, if any person –	Confiscation of goods or conveyances and levy of penalty.

	(i) supplies or receives any goods in contravention of any of the provisions of this Act or the rules made thereunder with intent to evade payment of tax; or	
	(ii) does not account for any goods on which he is liable to pay tax under this Act; or	
	(iii) supplies any goods liable to tax under this Act without having applied for registration; or	
	(iv) contravenes any of the provisions of this Act or the rules made thereunder with intent to evade payment of tax; or	
	(v) uses any conveyance as a means of transport for carriage of goods in contravention of the provisions of this Act or the rules made thereunder unless the owner of the conveyance proves that it was so used without the knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance,	
	then, all such goods or conveyances shall be liable to confiscation and the person shall be liable to penalty under section 122.	
	(2) Whenever confiscation of any goods or conveyance is authorised by this Act, the officer adjudging it shall give to the owner of the goods an option to pay in lieu of confiscation, such fine as the said officer thinks fit:	
	Provided that such fine leviable shall not exceed the market value of the goods confiscated, less the tax chargeable thereon:	
	Provided further that the aggregate of such fine and penalty leviable shall not be less than the amount of penalty leviable under sub-section (1) of section 129:	
	Provided also that where any such conveyance is used for the carriage of the goods or passengers for hire, the owner of the conveyance shall be given an option to pay	

	in lieu of the confiscation of the conveyance a fine equal to the tax payable on the goods being transported thereon.	
	(3) Where any fine in lieu of confiscation of goods or conveyance is imposed under sub-section (2), the owner of such goods or conveyance or the person referred to in sub-section (1), shall, in addition, be liable to any tax, penalty and charges payable in respect of such goods or conveyance.	
	(4) No order for confiscation of goods or conveyance or for imposition of penalty shall be issued without giving the person an opportunity of being heard.	
	(5) Where any goods or conveyance are confiscated under this Act, the title of such goods or conveyance shall thereupon vest in the Government.	
	(6) The proper officer adjudging confiscation shall take and hold possession of the things confiscated and every officer of Police, on the requisition of such proper officer, shall assist him in taking and holding such possession.	
	(7) The proper officer may, after satisfying himself that the confiscated goods or conveyance are not required in any other proceedings under this Act and after giving reasonable time not exceeding three months to pay fine in lieu of confiscation, dispose of such goods or conveyance and deposit the sale proceeds thereof with the Government.	
2 of 1974.	131. Without prejudice to the provisions contained in the Code of Criminal Procedure, 1973, no confiscation made or penalty imposed under the provisions of this Act or the rules made thereunder shall prevent the infliction of any other punishment to which the person affected thereby is liable under the provisions of this Act or under any other law for the time being in force.	Confiscation or penalty not to interfere with other punishments.
	132. (1) Whoever commits any of the following offences, namely:—	Punishment for certain offences

	(a) supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act, with the intention to evade tax;	
	(b) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax;	
	(c) avails input tax credit using such invoice or bill referred to in clause (b);	
	(d) collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due;	
	(e) evades tax, fraudulently avails input tax credit or fraudulently obtains refund and where such offence is not covered under clauses (a) to (d);	
	(f) falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information with an intention to evade payment of tax due under this Act;	
	(g) obstructs or prevents any officer in the discharge of his duties under this Act;	
	(h) acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with, any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made thereunder;	
	(i) receives or is in any way concerned with the supply of, or in any other manner deals with any supply of services which he knows or has reasons to believe are in	

	contravention of any provisions of this Act or the rules made thereunder;	
	(j) tampers with or destroys any material evidence or documents;	
	(k) fails to supply any information which he is required to supply under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information; or	
	(l) attempts to commit, or abets the commission of any of the offences mentioned in clauses (a) to (k) of this section,	
	shall be punishable—	
	(i) in cases where the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken exceeds five hundred lakh rupees, with imprisonment for a term which may extend to five years and with fine;	
	(ii) in cases where the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken exceeds two hundred lakh rupees but does not exceed five hundred lakh rupees, with imprisonment for a term which may extend to three years and with fine;	
	(iii) in the case of any other offence where the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken exceeds one hundred lakh rupees but does not exceed two hundred lakh rupees, with imprisonment for a term which may extend to one year and with fine;	
	(iv) in cases where he commits or abets the commission of an offence specified in clause (f) or clause (g) or clause	

	(j), he shall be punishable with imprisonment for a term which may extend to six months or with fine or with both.	
	(2) If any person convicted of an offence under this section is again convicted of an offence under this section, then, he shall be punishable for the second and for every subsequent offence with imprisonment for a term which may extend to five years and with fine:	
2 of 1974.	(3) The imprisonment referred to in clauses (i), (ii) and (iii) of sub-section (1) and sub-section (2) shall, in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court, be for a term not less than six months.	
	(4) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act, except the offences referred to in sub-section (5) shall be non-cognizable and bailable.	
	(5) The offences specified in clause (a) or clause (b) or clause (c) or clause (d) of sub-section (1) and punishable under clause (i) of that sub-section shall be cognizable and non-bailable.	
	(6) A person shall not be prosecuted for any offence under this section except with the previous sanction of the Commissioner.	
	Explanation.- For the purposes of this section, the term “tax” shall include the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or refund wrongly taken under the provisions of this Act, the <b>Central</b> Goods and Services Tax Act, the Integrated Goods and Services Tax Act, and cess levied under the Goods and Services Tax (Compensation to States) Act.	
	133. If any person engaged in connection with the collection of statistics under section 151 or compilation or computerisation thereof or if any officer of <b>State</b> tax having access to information specified under sub-section (1) of section 150, or any person engaged in connection with provisions of service on the common portal or the agent of common	Liability of officers and certain other persons.

	portal, wilfully discloses any information or the contents of any return furnished under this Act or rules made thereunder otherwise than in execution of his duties under the said sections or for the purposes of the prosecution of an offence under this Act or under any other Act for the time being in force, he shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to twenty five thousand rupees, or with both.	
	<p>(2) Any person –</p> <p>(a) who is a Government servant shall not be prosecuted for any offence under this section except with the previous sanction of the Government;</p> <p>(b) who is not a Government servant shall not be prosecuted for any offence under this section except with the previous sanction of the Commissioner.</p>	
	134. No court shall take cognizance of any offence punishable under this Act or the rules made thereunder except with the previous sanction of the Commissioner, and no court inferior to that of a Magistrate of the First Class, shall try any such offence.	Cognizance of offences.
	135. In any prosecution for an offence under this Act which requires a culpable mental state on the part of the accused, the court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.	Presumption of culpable mental state.
	<i>Explanation.</i> —For the purposes of this section,—	
	(i) the expression “culpable mental state” includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact;	
	(ii) a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.	



	136. A statement made and signed by a person on appearance in response to any summons issued under section 70 during the course of any inquiry or proceedings under this Act shall be relevant, for the purpose of proving, in any prosecution for an offence under this Act, the truth of the facts which it contains,—	Relevancy of statements under certain circumstances.
	(a) when the person who made the statement is dead or cannot be found, or is incapable of giving evidence, or is kept out of the way by the adverse party, or whose presence cannot be obtained without an amount of delay or expense which, under the circumstances of the case, the court considers unreasonable; or	
	(b) when the person who made the statement is examined as a witness in the case before the court and the court is of the opinion that, having regard to the circumstances of the case, the statement should be admitted in evidence in the interest of justice.	
	137. (1) Where an offence committed by a person under this Act is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :	Offences by Companies.
	(2) Notwithstanding anything contained in subsection (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.	

	(3) Where an offence under this Act has been committed by a taxable person being a partnership firm or a Limited Liability Partnership or a Hindu undivided family or a trust, the partner or <i>karta</i> or managing trustee shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly and the provisions of sub-section (2) shall <i>mutatis mutandis</i> apply to such persons.	
	(4) Nothing contained in this section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.	
	<i>Explanation.</i> —For the purposes of this section,—	
	(i) “company” means a body corporate and includes a firm or other association of individuals; and	
	(ii) “director”, in relation to a firm, means a partner in the firm.	
2 of 1974.	138. (1) Any offence under this Act may, either before or after the institution of prosecution, be compounded by the Commissioner on payment, by the person accused of the offence, to the Central Government or the State Government, as the case may be, of such compounding amount in such manner as may be prescribed:	Compounding of offences.
	Provided that nothing contained in this section shall apply to –	
	(a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f) of sub-section (1) of section 132 and the offences specified in clause (l) which are relatable to offences specified in clauses (a) to (f) of the said sub-section;	
	(b) a person who has been allowed to compound once in respect of any offence, other than those in	

	clause (a), under this Act or under the provisions of any State Goods and Services Tax Act or the Central Goods and Services Tax Act or the Union Territory Goods and Services Tax Act or the Integrated Goods and Services Tax Act in respect of supplies of value exceeding one crore rupees;	
	(c) a person who has been accused of committing an offence under this Act which is also an offence under any other law for the time being in force;	
	(d) a person who has been convicted for an offence under this Act by a court;	
	(e) a person who has been accused of committing an offence specified in clause (g) or clause (j) or clause (k) of sub-section (1) of section 132; and	
	(f) any other class of persons or offences as may be prescribed;	
	Provided further that any compounding allowed under the provisions of this section shall not affect the proceedings, if any, instituted under any other law:	
	Provided also that compounding shall be allowed only after making payment of tax, interest and penalty involved in such offences.	
	(2) The amount for compounding of offences under this section shall be such as may be prescribed, subject to the minimum amount not being less than ten thousand rupees or fifty per cent of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent. of the tax, whichever is higher.	
	(3) On payment of such compounding amount as may be determined by the Commissioner, no further proceedings shall be initiated under this Act against the accused person in respect of the same offence and any criminal proceedings, if already initiated in respect of the said offence, shall stand abated.	
	<b>CHAPTER XX TRANSITIONAL PROVISIONS</b>	
	139. (1) On and from the appointed day, every person registered under any of the existing laws and having a valid Permanent Account Number shall be issued a	Migration of existing taxpayers.

	certificate of registration on provisional basis, subject to such conditions and in such form and manner as may be prescribed and, unless replaced by a final certificate of registration under sub-section (2), shall be liable to be cancelled if the conditions so prescribed are not complied with.	
	(2) The final certificate of registration shall be granted in such form and manner and subject to such conditions as may be prescribed.	
	(3) The certificate of registration issued to a person under sub-section (1) shall be deemed to have not been issued if the said registration is cancelled in pursuance of an application filed by such person that he was not liable to registration under section 22 or section 24.	
	140. (1) A registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, <b><i>credit of the amount of Value Added Tax [and Entry Tax]</i></b> carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law, not later than ninety days after the said day, in such manner as may be prescribed:	Transitional arrangements for input tax credit.
	Provided that the registered person shall not be allowed to take credit in the following circumstances, namely: –	
	(i) where the said amount of credit is not admissible as input tax credit under this Act; or (ii) where he has not furnished all the returns required under the existing law for the period of six months immediately preceding the appointed date; or	
<b><i>Applicable to States having Industrial Incentive</i></b>	(iii) <b><i>[where the said amount of credit relates to goods sold under notification no. .... and ..... claiming refund of value added tax paid thereon]:</i></b>	
	<b><i>Provided further that so much of the said credit as is attributable to any claim related to section 3, sub-section (3) of section 5, section 6, section 6A or sub-section (8) of section 8 of the Central Sales Tax Act,</i></b>	

74 of 1956	<i>1956 that is not substantiated in the manner, and within the period, prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957 shall not be eligible to be credited to the electronic credit ledger:</i>	
	<i>Provided also that an amount equivalent to the credit specified in the second proviso shall be refunded under the existing law when the said claims are substantiated in the manner prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957.</i>	
	(2) A registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, credit of the unavailed <b>input tax</b> credit in respect of capital goods, not carried forward in a return, furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day in such manner as may be prescribed:	
	Provided that the registered person shall not be allowed to take credit unless the said credit was admissible as <b>input tax</b> credit under the existing law and is also admissible as input tax credit under this Act.	
	Explanation.—For the purposes of this section, the expression “unavailed <b>input tax</b> credit” means the amount that remains after subtracting the amount of <b>input tax</b> credit already availed in respect of capital goods by the taxable person under the existing law from the aggregate amount of <b>input tax</b> credit to which the said person was entitled in respect of the said capital goods under the existing law.	
	(3) A registered person, who was not liable to be registered under the existing law or who was engaged in the sale of exempted goods [or tax free goods] under the existing law but which are liable to tax under this Act [or where the person was entitled to the credit of input tax at the time of sale of goods], shall be entitled to take, in his electronic credit ledger, credit of the value added tax [and entry tax] in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions namely: —	

	(i) such inputs or goods are used or intended to be used for making taxable supplies under this Act;	
	(ii) the said registered person is eligible for input tax credit on such inputs under this Act;	
	(iii) the said registered person is in possession of invoice or other prescribed documents evidencing payment of <b>tax</b> under the existing law in respect of such inputs; and	
	(iv) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day:	
	Provided that where a registered person, other than a manufacturer or a supplier of services, is not in possession of an invoice or any other documents evidencing payment of <b>tax</b> in respect of inputs, then, such registered person shall, subject to such conditions, limitations and safeguards as may be prescribed, including that the said taxable person shall pass on the benefit of such credit by way of reduced prices to the recipient, be allowed to take credit at such rate and in such manner as may be prescribed.	
	(4) A registered person, who was engaged in the sale of <b>taxable goods</b> as well as exempted goods [ <b>or tax free goods</b> ] under the existing law but which are liable to tax under this Act, shall be entitled to take, in his electronic credit ledger,-	
	(a) the amount of <b>credit of the value added tax [and entry tax]</b> carried forward in a return furnished under the existing law by him in accordance with the provisions of sub-section (1); and	
	(b) the amount of <b>credit of the value added tax [and entry tax]</b> in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day, relating to such exempted goods [ <b>or tax free goods</b> ] in accordance with the provisions of sub-section (3).	

	(5) A registered person shall be entitled to take, in his electronic credit ledger, credit of value added tax [and entry tax] in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law, subject to the condition that the invoice or any other tax paying document of the same was recorded in the books of account of such person within a period of thirty days from the appointed day:	
	Provided that the period of thirty days may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding thirty days:	
	Provided further that the said registered person shall furnish a statement, in such manner as may be prescribed, in respect of credit that has been taken under this sub-section.	
	(6) A registered person, who was either paying tax at a fixed rate or paying a fixed amount in lieu of the tax payable under the existing law shall be entitled to take, in his electronic credit ledger, credit of <b>value added tax</b> in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely:—	
	(i) such inputs or goods are used or intended to be used for making taxable supplies under this Act;	
	(ii) the said registered person is not paying tax under section 10;	
	(iii) the said registered person is eligible for input tax credit on such inputs under this Act;	
	(iv) the said registered person is in possession of invoice or other prescribed documents evidencing payment of tax under the existing law in respect of inputs; and	

	(v) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day.	
	(7) The amount of credit under sub-sections (3), (4) and (6) shall be calculated in such manner as may be prescribed.	
	141. (1) Where any inputs received at a <b><i>place of business</i></b> had been <b><i>despatched</i></b> as such or <b><i>despatched</i></b> after being partially processed to a job worker for further processing, testing, repair, reconditioning or any other purpose in accordance with the provisions of existing law prior to the appointed day and such inputs are returned to the <b><i>said place</i></b> on or after the appointed day, no tax shall be payable if such inputs, after completion of the job work or otherwise, are returned to the <b><i>said place</i></b> within six months from the appointed day:	Transitional provisions relating to job work.
	Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:	
	Provided further that if such inputs are not returned within a period of six months or the extended period from the appointed day, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142.	
	(2) Where any semi-finished goods had been <b><i>despatched</i></b> from <b><i>any place of business</i></b> to any other premises for carrying out certain manufacturing processes in accordance with the provisions of existing law prior to the appointed day and such goods (hereafter in this sub-section referred to as “the said goods”) are returned to the <b><i>said place</i></b> on or after the appointed day, no tax shall be payable if the said goods, after undergoing manufacturing processes or otherwise, are returned to the <b><i>said place</i></b> within six months from the appointed day:	
	Provided that the period of six months may, on sufficient cause being shown, be extended by the	



	Commissioner for a further period not exceeding two months:	
	Provided further that if the said goods are not returned within a period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142:	
	Provided also that the person <i>despatching</i> the goods may, in accordance with the provisions of the existing law, transfer the said goods to the premises of any registered person for the purpose of supplying therefrom on payment of tax in India or without payment of tax for exports within six months or the extended period, as the case may be, from the appointed day.	
	(3) Where any <i>goods</i> had been <i>despatched</i> from the <i>place of business</i> without payment of tax for carrying out tests or any other process, to any other premises, whether registered or not, in accordance with the provisions of existing law prior to the appointed day and such goods (herein after referred to as the “said goods”) are returned to the <i>said place of business</i> on or after the appointed day, no tax shall be payable if the said goods, after undergoing tests or any other process, are returned to such <i>place</i> within six months from the appointed day:	
	Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:	
	Provided further that if the said goods are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142:	
	Provided also that the person <i>despatching</i> the goods may, in accordance with the provisions of the existing law, transfer the said goods from the said other premises on payment of tax in India or without	

	payment of tax for exports within six months or the extended period, as the case may be, from the appointed day.	
	(4) The tax under sub-sections (1), (2) and (3) shall not be payable only if the person <b>despatching</b> the goods and the job worker declare the details of the inputs or goods held in stock by the job worker on behalf of the said person on the appointed day in such form and manner and within such time as may be prescribed.	
	142. (1) Where any goods on which <b>tax</b> , if any, had been paid under the existing law at the time of <b>sale</b> thereof, not being earlier than six months prior to the appointed day, are returned to any place of business on or after the appointed day, the registered person shall be eligible for refund of the <b>tax</b> paid under the existing law where such goods are returned by a person, other than a registered person, to the said place of business within a period of six months from the appointed day and such goods are identifiable to the satisfaction of the proper officer:	Miscellaneous transitional provisions.
	Provided that if the said goods are returned by a registered person, the return of such goods shall be deemed to be a supply.	
	(2) (a) Where, in pursuance of a contract entered into prior to the appointed day, the price of any goods is revised upwards on or after the appointed day, the registered person who had <b>sold</b> such goods may issue to the recipient a supplementary invoice or debit note, containing such particulars as may be prescribed, within thirty days of such price revision and for the purposes of this Act, such supplementary invoice or debit note shall be deemed to have been issued in respect of an outward supply made under this Act.	
	(b) Where, in pursuance of a contract entered into prior to the appointed day, the price of any goods is revised downwards on or after the appointed day, the registered person who had <b>sold</b> such goods may issue to the recipient a credit note,	

	containing such particulars as may be prescribed, within thirty days of such price revision and for the purposes of this Act such credit note shall be deemed to have been issued in respect of an outward supply made under this Act:	
	Provided that the registered person shall be allowed to reduce his tax liability on account of issue of the credit note only if the recipient of the credit note has reduced his input tax credit corresponding to such reduction of tax liability.	
	(3) Every claim for refund filed by any person before, on or after the appointed day, for refund of any amount of input tax credit, tax, interest or any other amount paid under the existing law, shall be disposed of in accordance with the provisions of existing law and any amount eventually accruing to him shall be refunded to him in cash in accordance with the provisions of the said law:	
	Provided that where any claim for refund of the amount of <b>input tax</b> credit is fully or partially rejected, the amount so rejected shall lapse:	
	Provided further that no refund claim shall be allowed of any amount of <b>input tax</b> credit where the balance of the said amount as on the appointed day has been carried forward under this Act.	
	(4) Every claim for refund filed after the appointed day for refund of any <b>tax</b> paid under the existing law in respect of the goods exported before or after the appointed day shall be disposed of in accordance with the provisions of the existing law:	
	Provided that where any claim for refund of <b>input tax</b> credit is fully or partially rejected, the amount so rejected shall lapse:	
	Provided further that no refund claim shall be allowed of any amount of <b>input tax</b> credit where the balance of the said amount as on the appointed day has been carried forward under this Act.	

	(5) (a) Every proceeding of appeal, <b>revision</b> , review or reference relating to a claim for <b>input tax</b> credit initiated whether before, on or after the appointed day, under the existing law shall be disposed of in accordance with the provisions of the existing law, and any amount of credit found to be admissible to the claimant shall be refunded to him in cash in accordance with the provisions of the existing law, <b>and the amount rejected, if any, shall not be admissible as input tax credit under this Act:</b>	
	Provided that no refund claim shall be allowed of any amount of <b>input tax</b> credit where the balance of the said amount as on the appointed day has been carried forward under this Act.	
	(b) Every proceeding of appeal, <b>revision</b> , review or reference relating to recovery of <b>input tax</b> credit initiated whether before, on or after the appointed day, under the existing law shall be disposed of in accordance with the provisions of the existing law, and if any amount of credit becomes recoverable as a result of such appeal, <b>revision</b> , review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.	
	(6) (a) Every proceeding of appeal, <b>revision</b> , review or reference relating to any output <b>tax</b> liability initiated whether before, on or after the appointed day under the existing law, shall be disposed of in accordance with the provisions of the existing law, and if any amount becomes recoverable as a result of such appeal, <b>revision</b> , review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of <b>tax</b> under this Act and amount so recovered shall not be admissible as input tax credit under this Act.	
	(b) Every proceeding of appeal, <b>revision</b> , review or reference relating to any output <b>tax</b> liability	

	initiated whether before, on or after the appointed day under the existing law, shall be disposed of in accordance with the provisions of the existing law, and any amount found to be admissible to the claimant shall be refunded to him in cash in accordance with the provisions of the existing law <b><i>and the amount rejected, if any, shall not be admissible as input tax credit under this Act.</i></b>	
	(7) (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 from the person, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.	
	(b) 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 refundable to the taxable person, the same shall be refunded to him in cash under the said law, <b><i>and the amount rejected, if any, shall not be admissible as input tax credit under this Act.</i></b>	
	(8) (a) 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 <b><i>input tax</i></b> credit is found to be inadmissible, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.	
	(b) Where any return, furnished under the existing law, is revised after the appointed day but within the time limit specified for such revision under the existing law and if, pursuant to such revision, any amount is found to be refundable or <b><i>input tax</i></b> credit is found to be	

	admissible to any taxable person, the same shall be refunded to him in cash, under the existing law, and the amount rejected, if any, shall not be admissible as <b><i>input tax credit</i></b> under this Act.	
	(9) Save as otherwise provided in this Chapter, the goods or services or both supplied on or after the appointed day in pursuance of a contract entered into prior to the appointed day shall be liable to tax under the provisions of this Act.	
	(10) (a) Notwithstanding anything contained in section 12, no tax shall be payable on goods under this Act to the extent the tax was leviable on the said goods under the <b><i>&lt;Name of the State&gt; Value Added Tax Act, ---</i></b> .	
32 of 1994	(b) Notwithstanding anything contained in section 13, no tax shall be payable on services under this Act to the extent the tax was leviable on the said services under Chapter V of the Finance Act, 1994.	
--- of ---- 32 of 1994	(c) Where tax was paid on any supply, both under the <b><i>&lt;Name of the State&gt; Value Added Tax Act, ---</i></b> and under Chapter V of the Finance Act, 1994, tax shall be leviable under this Act and the taxable person shall be entitled to take credit of value added tax or service tax paid under the existing law to the extent of supplies made after the appointed day and such credit shall be calculated in such manner as may be prescribed.	
	(11) Where any goods sent on approval basis, not earlier than six months before the appointed day, are rejected or not approved by the buyer and returned to the seller on or after the appointed day, no tax shall be payable thereon if such goods are returned within six months from the appointed day:	
	Provided that the said period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:	

	Provided further that the tax shall be payable by the person returning the goods if such goods are liable to tax under this Act, and are returned after the period specified in this sub-section:	
	Provided also that tax shall be payable by the person who has sent the goods on approval basis if such goods are liable to tax under this Act, and are not returned within the period specified in this sub-section.	
	(12) Where a supplier has made any sale of goods in respect of which tax was required to be deducted at source under <i>the &lt;Name of the State&gt; Value Added Tax, ----</i> and has also issued an invoice for the same before the appointed day, no deduction of tax at source under section 51 shall be made by the deductor under the said section where payment to the said supplier is made on or after the appointed day.	
	Explanation.- For the purposes of this Chapter, the expression “capital goods” shall have the same meaning as assigned to it in the <i>&lt;Name of the State&gt; Value Added Tax, ----</i> .	
	CHAPTER XXI MISCELLANEOUS PROVISIONS	
	143. (1) A registered person (hereafter in this section referred to as the “principal”) may, under intimation and subject to such conditions as may be prescribed, send any inputs or capital goods, without payment of tax, to a job worker for job work and from there subsequently send to another job worker and likewise, and shall,—	Job work procedure.
	(a) bring back inputs, after completion of job work or otherwise, or capital goods, other than moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out, to any of his place of business, without payment of tax;	
	(b) supply such inputs, after completion of job work or otherwise, or capital goods, other than	

	moulds and dies, jigs and fixtures, or tools, within one year and three years, respectively, of their being sent out from the place of business of a job worker on payment of tax within India, or with or without payment of tax for export, as the case may be:	
	Provided that the principal shall not supply the goods from the place of business of a job worker in terms of clause (b) unless the said principal declares the place of business of the job-worker as his additional place of business except in a case-	
	(i) where the job worker is registered under section 25; or	
	(ii) where the principal is engaged in the supply of such goods as may be notified by the Commissioner.	
	(2) The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal.	
	(3) Where the inputs sent for job work are not received back by the principal after completion of job work or otherwise in accordance with clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with clause (b) of sub-section (1) within a period of one year of their being sent out, it shall be deemed that such inputs had been supplied by the principal to the job-worker on the day when the said inputs were sent out.	
	(4) Where the capital goods, other than moulds and dies, jigs and fixtures, or tools, sent for job work are not received back by the principal in accordance with clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with clause (b) of sub-section (1) within a period of three years of their being sent out, it shall be deemed that such capital goods had been supplied by the principal to the job-worker on the day when the said capital goods were sent out.	



	(5) Notwithstanding anything contained in sub-sections (1) and (2), any waste and scrap generated during the job work may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered, or by the principal, if the job worker is not registered.	
	<i>Explanation.</i> - For the purpose of job work, input includes intermediate goods arising from any treatment or process carried out on the inputs by the principal or the job worker.	
	144. Where any document-	Presumption as to documents in certain cases.
	(i) is produced by any person under this Act or any other law for the time being in force; or	
	(ii) has been seized from the custody or control of any person under this Act or any other law for the time being in force; or	
	(iii) has been received from any place outside India in the course of any proceedings under this Act or any other law for the time being in force,	
	and such document is tendered by the prosecution in evidence against him or any other person who is tried jointly with him, the court shall,-	
	(a) unless the contrary is proved by such person, presume —	
	(i) the truth of the contents of such document;	
	(ii) that the signature and every other part of such document which purports to be in the handwriting of any particular person or which the court may reasonably assume to have been signed by, or to be in the handwriting of, any particular person, is in that person's handwriting, and in the case of a document executed or attested, that it was	

	executed or attested by the person by whom it purports to have been so executed or attested;	
	(b) admit the document in evidence notwithstanding that it is not duly stamped, if such document is otherwise admissible in evidence.	
	145. (1) Notwithstanding anything contained in any other law for the time being in force, —	Admissibility of micro films, facsimile copies of documents and computer printouts as documents and as evidence.
	(a) a micro film of a document or the reproduction of the image or images embodied in such micro film (whether enlarged or not); or	
	(b) a facsimile copy of a document; or	
	(c) a statement contained in a document and included in a printed material produced by a computer, subject to such conditions as may be prescribed; or	
	(d) any information stored electronically in any device or media, including any hard copies made of such information,	
	shall be deemed to be a document for the purposes of this Act and the rules made thereunder and shall be admissible in any proceedings thereunder, without further proof or production of the original, as evidence of any contents of the original or of any fact stated therein of which direct evidence would be admissible.	
	(2) In any proceedings under this Act and or the rules made thereunder, where it is desired to give a statement in evidence by virtue of this section, a certificate, —	
	(a) identifying the document containing the statement and describing the manner in which it was produced;	

	(b) giving such particulars of any device involved in the production of that document as may be appropriate for the purpose of showing that the document was produced by a computer,	
	shall be evidence of any matter stated in the certificate and for the purposes of this sub-section it shall be sufficient for a matter to be stated to the best of the knowledge and belief of the person stating it.	
	146. The Government may, on the recommendations of the Council, notify the Common Goods and Services Tax Electronic Portal for facilitating registration, payment of tax, furnishing of returns, computation and settlement of integrated tax, electronic way bill and for carrying out such other functions and for such purposes as may be prescribed.	Common Portal.
	147. The Government may, on the recommendations of the Council, notify certain supplies of goods as “deemed exports”, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in convertible foreign exchange, if such goods are manufactured in India.	Deemed Exports.
	148. The Government may, on the recommendations of the Council, and subject to such conditions and safeguards as may be prescribed, notify certain classes of taxable persons, and the special procedures to be followed by such taxable persons including those with regard to registration, furnishing of return, payment of tax and administration of such taxable persons.	Special Procedure for certain processes.
	149. (1) Every registered person may be assigned a goods and services tax compliance rating score by the Government based on his record of compliance with the provisions of this Act.	Goods and services tax compliance rating.
	(2) The goods and services tax compliance rating score may be determined on the basis of such parameters as may be prescribed.	

	(3) The goods and services tax compliance rating score may be updated at periodic intervals and intimated to the registered person and also placed in the public domain in such manner as may be prescribed.	
	150. (1) Any person, being—	Obligation to furnish information return.
	(a) a taxable person; or	
	(b) a local authority or other public body or association; or	
	(c) any authority of the State Government responsible for the collection of value added tax or sales tax or State excise duty or an authority of the Central Government responsible for the collection of excise duty or customs duty; or	
43 of 1961.	(d) an income tax authority appointed under the provisions of the Income-tax Act, 1961; or	
2 of 1934.	(e) a banking company within the meaning of clause (a) of section 45A of the Reserve Bank of India Act, 1934; or	
36 of 2003.	(f) a State Electricity Board or an electricity distribution or transmission licensee under the Electricity Act, 2003, or any other entity entrusted with such functions by the Central Government or the State Government; or	
16 of 1908.	(g) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908; or	
18 of 2013.	(h) a Registrar within the meaning of the Companies Act, 2013; or	
59 of 1988.	(i) the registering authority empowered to register motor vehicles under the Motor Vehicles Act, 1988; or	
	(j) the Collector referred to in clause (c) of section 3 of the Right to Fair Compensation and Transparency	

30 of 2013.	in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or	
42 of 1956.	(k) the recognised stock exchange referred to in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; or	
22 of 1996.	(l) a depository referred to in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996; or	
2 of 1934.	(m) an officer of the Reserve Bank of India as constituted under section 3 of the Reserve Bank of India Act, 1934; or	
18 of 2013.	(n) the Goods and Services Tax Network, a company registered under the Companies Act, 2013 ; or	
	(o) a person to whom a Unique Identity Number has been granted under sub-section (9) of section 25; or	
	(p) any other person as may be specified, on the recommendations of the Council, by the Government,	
	who is responsible for maintaining record of registration or statement of accounts or any periodic return or document containing details of payment of tax and other details of transaction of goods or services or both or transactions related to a bank account or consumption of electricity or transaction of purchase, sale or exchange of goods or property or right or interest in a property under any law for the time being in force, shall furnish an information return of the same in respect of such periods, within such time, in such form and manner and to such authority or agency as may be prescribed.	

	(2) Where the Commissioner, or an officer authorised by him in this behalf, considers that the information furnished in the information return is defective, he may intimate the defect to the person who has furnished such information return and give him an opportunity of rectifying the defect within a period of thirty days from the date of such intimation or within such further period which, on an application made in this behalf, the said authority may allow and if the defect is not rectified within the said period of thirty days or the further period so allowed, then, notwithstanding anything contained in any other provisions of this Act, such information return shall be treated as not furnished and the provisions of this Act shall apply.	
	(3) Where a person who is required to furnish information return has not furnished the same within the time specified in sub-section (1) or sub-section (2), the said authority may serve upon him a notice requiring furnishing of such information return within a period not exceeding ninety days from the date of service of the notice and such person shall furnish the information return.	
	151. (1) The Commissioner may, if he considers that it is necessary so to do, by notification, direct that statistics may be collected relating to any matter dealt with, by or in connection with this Act.	Power to collect statistics.
	(2) Upon such notification being issued, the Commissioner, or any person authorised by him in this behalf, may call upon the concerned persons to furnish such information or returns, in such form and manner as may be prescribed, relating to any matter in respect of which statistics is to be collected.	
	152. (1) No information of any individual return or part thereof with respect to any matter given for the purposes of section 151 shall, without the previous consent in writing of the concerned person or his authorised representative, be published in such manner so as to enable such particulars to be	Bar on disclosure of information required under section 151.

	identified as referring to a particular person and no such information shall be used for the purpose of any proceedings under this Act.	
	(2) Except for the purposes of prosecution under this Act, or any other Act for the time being in force, no person who is not engaged in the collection of statistics under this Act or compilation or computerization thereof for the purposes of this Act, shall be permitted to see or have access to any information or any individual return referred to in section 151.	
	(3) Nothing in this section shall apply to the publication of any information relating to a class of taxable persons or class of transactions, if in the opinion of the Commissioner, it is desirable in the public interest to publish such information.	
	153. Any officer not below the rank of Assistant Commissioner may, having regard to the nature and complexity of the case and the interest of revenue, take assistance of any expert at any stage of scrutiny, inquiry, investigation or any other proceedings before him.	Taking assistance from an expert.
	154. The Commissioner or an officer authorised by him may take samples of goods from the possession of any taxable person, where he considers it necessary, and provide a receipt for any samples so taken.	Power to take samples.
	155. Where any person claims that he is eligible for input tax credit under this Act, the burden of proving such claim shall lie on such person.	Burden of Proof.
45 of 1860.	156. All persons discharging functions under this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.	Persons deemed to be public servants.
	157. (1) No suit, prosecution or other legal proceedings shall lie against the President, State President, Members, officers or other employees of the Appellate Tribunal or any other person authorised by the said Appellate Tribunal for anything which is in	Protection of action taken under this Act.

	good faith done or intended to be done under this Act or the rules made thereunder.	
	(2) No suit, prosecution or other legal proceedings shall lie against any officer appointed or authorised under this Act for anything which is done or intended to be done in good faith under this Act or the rules made thereunder.	
	158. (1) All particulars contained in any statement made, return furnished or accounts or documents produced in accordance with this Act, or in any record of evidence given in the course of any proceedings under this Act (other than proceedings before a criminal court), or in any record of any proceedings under this Act shall, save as provided in sub-section (3), not be disclosed.	Disclosure of information by a public servant
1 of 1872.	(2) Notwithstanding anything contained in the Indian Evidence Act, 1872, no court shall, save as otherwise provided in sub-section (3), require any officer appointed or authorised under this Act to produce before it or to give evidence before it in respect of particulars referred to in sub-section (1).	
	(3) Nothing contained in this section shall apply to the disclosure of,—	
45 of 1860. 49 of 1988.	(a) any particulars in respect of any statement, return, accounts, documents, evidence, affidavit or deposition, for the purpose of any prosecution under the Indian Penal Code or the Prevention of Corruption Act, 1988, or any other law for the time being in force; or	
	(b) any particulars to the Central Government or the State Government or to any person acting in the implementation of this Act, for the purposes of carrying out the objects of this Act; or	
	(c) any particulars when such disclosure is occasioned by the lawful exercise under this Act of any process for the service of any notice or recovery of any demand; or	
	(d) any particulars to a civil court in any suit or proceedings, to which the Government or any	



	authority under this Act is a party, which relates to any matter arising out of any proceedings under this Act or under any other law for the time being in force authorising any such authority to exercise any powers thereunder; or	
	(e) any particulars to any officer appointed for the purpose of audit of tax receipts or refunds of the tax imposed by this Act; or	
	(f) any particulars where such particulars are relevant for the purposes of any inquiry into the conduct of any officer appointed or authorised under this Act, to any person or persons appointed as an inquiry officer under any law for the time being in force; or	
	(g) any such particulars to an officer of the Central Government or of any State Government, as may be necessary for the purpose of enabling that Government to levy or realise any tax or duty; or	
	(h) any particulars when such disclosure is occasioned by the lawful exercise by a public servant or any other statutory authority, of his or its powers under any law for the time being in force; or	
	(i) any particulars relevant to any inquiry into a charge of misconduct in connection with any proceedings under this Act against a practising advocate, a tax practitioner, a practising cost accountant, a practising chartered accountant, a practising company secretary to the authority empowered to take disciplinary action against the members practising the profession of a legal practitioner, a cost accountant, a chartered accountant or a company secretary, as the case may be; or	
	(j) any particulars to any agency appointed for the purposes of data entry on any automated system or for the purpose of operating, upgrading or maintaining any automated system where such agency is contractually bound not to use or disclose such particulars except for the aforesaid purposes; or	

	(k) any such particulars to an officer of the Government as may be necessary for the purposes of any other law for the time being in force; and	
	(l) any information relating to any class of taxable persons or class of transactions for publication, if, in the opinion of the Commissioner, it is desirable in the public interest, to publish such information.	
	159. (1) If the Commissioner, or any other officer authorised by him in this behalf, is of the opinion that it is necessary or expedient in the public interest to publish the name of any person and any other particulars relating to any proceedings or prosecution under this Act in respect of such person, it may cause to be published such name and particulars in such manner as it thinks fit.	Publication of information respecting persons in certain cases.
	(2) No publication under this section shall be made in relation to any penalty imposed under this Act until the time for presenting an appeal to the Appellate Authority under section 107 has expired without an appeal having been presented or the appeal, if presented, has been disposed of.	
	<i>Explanation.</i> —In the case of firm, company or other association of persons, the names of the partners of the firm, directors, managing agents, secretaries and treasurers or managers of the company, or the members of the association, as the case may be, may also be published if, in the opinion of the Commissioner, or any other officer authorised by him in this behalf, circumstances of the case justify it.	
	160. (1) No assessment, re-assessment, adjudication, review, revision, appeal, rectification, notice, summons or other proceedings done, accepted, made, issued, initiated, or purported to have been done, accepted, made, issued, initiated in pursuance of any of the provisions of this Act shall be invalid or deemed to be invalid merely by reason of any mistake, defect or omission therein, if such assessment, re-assessment, adjudication, review, revision, appeal, rectification, notice, summons or other proceedings are in substance and effect in	Assessment proceedings, etc. not to be invalid on certain grounds.

	conformity with or according to the intents, purposes and requirements of this Act or any existing law.	
	(2) The service of any notice, order or communication shall not be called in question, if the notice, order or communication, as the case may be, has already been acted upon by the person to whom it is issued or where such service has not been called in question at or in the earlier proceedings commenced, continued or finalised pursuant to such notice, order or communication.	
	161. Without prejudice to the provisions of section 160, and notwithstanding anything contained in any other provisions of this Act, any authority, who has passed or issued any decision or order or notice or certificate or any other document, may rectify any error which is apparent on the face of record in such decision or order or notice or certificate or any other document, either on its own motion or where such error is brought to its notice by any officer appointed under this Act or an officer appointed under the <b>Central</b> Goods and Services Tax Act or by the affected person within a period of three months from the date of issue of such decision or order or notice or certificate or any other document, as the case may be:	Rectification of errors apparent from record.
	Provided that no such rectification shall be done after a period of six months from the date of issue of such decision or order or notice or certificate or any other document:	
	Provided further that the said period of six months shall not apply in such cases where the rectification is purely in the nature of correction of a clerical or arithmetical error, arising from any accidental slip or omission:	
	Provided also that where such rectification adversely affects any person, the principles of natural justice shall be followed by the authority carrying out such rectification.	
	162. Save as provided in sections 117 and 118, no civil court shall have jurisdiction to deal with or decide any	Bar on jurisdiction of civil courts.

	question arising from or relating to anything done or purported to be done under this Act.	
	163. Wherever a copy of any order or document is to be provided to any person on an application made by him for that purpose, there shall be paid such fee as may be prescribed.	Levy of fee.
	164. (1) The Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.	Power of Government to make rules.
	(2) Without prejudice to the generality of the provisions of sub-section (1), the Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.	
	(3) The power to make rules conferred by this section shall include the power to give retrospective effect to the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.	
	(4) Any rules made under sub-section (1) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.	
	165. The <b>Commissioner</b> may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the provisions of this Act.	Power to make regulations.
	166. Every rule made by the Government, every regulation made by the <b>Commissioner</b> and every notification issued by the Government under this Act, shall be laid, as soon as may be after it is made or issued, before the <b>State Legislature</b> , while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, the <b>State Legislature</b> agrees in	Laying of rules, regulations and notifications.

	making any modification in the rule or regulation or in the notification, as the case may be, or the <b><i>State Legislature</i></b> agrees that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification, as the case may be.	
	167. The Commissioner may, by notification, direct that subject to such conditions, if any, as may be specified in the notification, any power exercisable by any authority or officer under this Act may be exercisable also by another authority or officer as may be specified in such notification.	Delegation of powers.
	168. The <b><i>Commissioner</i></b> may, if he considers it necessary or expedient so to do for the purpose of uniformity in the implementation of this Act, issue such orders, instructions or directions to the <b><i>State</i></b> tax officers as it may deem fit, and thereupon all such officers and all other persons employed in the implementation of this Act shall observe and follow such orders, instructions or directions.	Power to issue instructions or directions.
	169. (1) Any decision, order, summons, notice or other communication under this Act or the rules made thereunder shall be served by any one of the following methods, namely: -	Service of notice in certain circumstances.
	(a) by giving or tendering it directly or by a messenger including a courier to the addressee or the taxable person or to his manager or authorised representative or an advocate or a tax practitioner holding authority to appear in the proceedings on behalf of the taxable person or to a person regularly employed by him in connection with the business, or to any adult member of family residing with the taxable person; or	
	(b) by registered post or speed post or courier with acknowledgement due, to the person for whom it is intended or his authorised representative, if any, at his last known place of business or residence; or	

	(c) by sending a communication to his e-mail address provided at the time of registration or as amended from time to time; or	
	(d) by making it available on the common portal; or	
	(e) by publication in a newspaper circulating in the locality in which the taxable person or the person to whom it is issued is last known to have resided, carried on business or personally worked for gain; or	
	(f) if none of the modes aforesaid is practicable, by affixing it in some conspicuous place at his last known place of business or residence and if such mode is not practicable for any reason, then by affixing a copy thereof on the notice board of the office of the concerned officer or authority who or which passed such decision or order or issued such summons or notice.	
	(2) Every decision, order, summons, notice or any communication shall be deemed to have been served on the date on which it is tendered or published or a copy thereof is affixed in the manner provided in sub-section (1).	
	(3) When such decision, order, summons, notice or any communication is sent by registered post or speed post, it shall be deemed to have been received by the addressee at the expiry of the period normally taken by such post in transit unless the contrary is proved.	
	170. The amount of tax, interest, penalty, fine or any other sum payable, and the amount of refund or any other sum due, under the provisions of this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise it shall be ignored.	Rounding off of tax etc.
	171. (1) Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit	Anti-profiteering Measure.

	shall be passed on to the recipient by way of commensurate reduction in prices.	
	(2) The Central Government may on recommendations of the Council, by notification, constitute an Authority, or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.	
	(3) The Authority referred to in sub-section (2) shall exercise such powers and discharge such functions as may be prescribed.	
	172. (1) If any difficulty arises in giving effect to any provisions of this Act, the Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty :	Removal of difficulties.
	Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.	
	(2) Every order made under this section shall be laid, as soon as may be, after it is made, before the <i>State Legislature</i> .	
<i>Omissions, substitutions, and insertions in the Acts to be entered here</i>	173. <i>Save as otherwise provided in this Act, on and from the date of commencement of this Act,-</i> <i>(i) in the Maharashtra Municipal Corporations Act, 1949, in section 127, in sub-section (2), clauses (a), (aa) and (aaa) shall be omitted;</i> <i>(ii) .....</i>	<i>Amendment of certain Acts</i>
<i>List of other Acts to be repealed to be entered here</i>	174. <i>(1) Save as otherwise provided in this Act, on and from the date of commencement of this Act,</i> <i>(i) the &lt;Name of State&gt; Value Added Tax Act, ----, except in respect of goods included in the Entry 54 of the State List of the Seventh Schedule to the Constitution,</i>	<i>Repeal and saving</i>

	<p><b>(ii) -----</b>  <b>(iii) -----</b>  <i>(hereafter referred to as the repealed Acts) are hereby repealed.</i></p>	
	<p><b>(2) The repeal of the said Acts and the amendment of the Acts specified in section 173 (hereafter referred to as “such amendment” or “amended Act”, as the case may be) to the extent mentioned in sub-section (1) or section 173 shall not—</b></p>	
	<p>(a) revive anything not in force or existing at the time of such repeal; or</p>	
	<p>(b) affect the previous operation of the repealed Acts and orders or anything duly done or suffered thereunder; or</p>	
	<p>(c) affect any right, privilege, obligation, or liability acquired, accrued or incurred under the repealed Acts or orders under such repealed Acts:          Provided that any tax exemption granted as an incentive against investment through a notification shall not continue as privilege if the said notification is rescinded on or after the appointed day; or</p>	
	<p>(d) affect any tax, surcharge, penalty, interest as are due or may become due or any forfeiture or punishment incurred or inflicted in respect of any offence or violation committed against the provisions of the repealed Acts; or</p>	
	<p>(e) affect any investigation, inquiry, assessment proceedings, adjudication and any other legal proceedings or recovery of arrears or remedy in respect of any such tax, surcharge, penalty, fine, interest, right, privilege, obligation, liability, forfeiture or punishment, as aforesaid, and any such investigation, inquiry, assessment proceedings, adjudication and other legal proceedings or recovery of arrears or remedy may be instituted, continued or enforced, and any such tax, surcharge, penalty, fine, interest, forfeiture or punishment may be levied or imposed as if these Acts had not been so repealed;</p>	



	(f) affect any proceedings including that relating to an appeal, revision, review or reference, instituted before, on or after the appointed day under the said repealed Acts and such proceedings shall be continued under the said repealed Acts as if this Act had not come into force and the said Acts had not been amended or repealed.	
10 of 1897.	(2) The mention of the particular matters referred to in section 173 and sub-section (1) shall not be held to prejudice or affect the general application of section -- of the < <b><i>Name of the State</i></b> > General Clauses Act, ---- with regard to the effect of repeal.	

	<b>SCHEDULE I</b> [Section 7]	
	<b>ACTIVITIES TO BE TREATED AS SUPPLY EVEN IF MADE WITHOUT CONSIDERATION</b>	
	<p>1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.</p> <p>2. Supply of goods or services or both between related persons or between distinct persons as specified in section 25 , when made in the course or furtherance of business:</p> <p>Provided that gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.</p> <p>3. Supply of goods—</p> <p>(a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or</p> <p>(b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.</p> <p>4. Import of services by a taxable person from a related person or from any of his other establishments outside India, in the course or furtherance of business.</p>	

	<b>SCHEDULE II</b> [Section 7]	
	<b>ACTIVITIES TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES</b>	
	<p style="text-align: center;">1. Transfer</p> <p>(a) any transfer of the title in goods is a supply of goods;  (b) any transfer of right in goods or of undivided share in goods without the transfer of title thereof, is a supply of services;  (c) any transfer of title in goods under an agreement which stipulates that property in goods shall pass at a future date upon payment of full consideration as agreed, is a supply of goods.</p> <p style="text-align: center;">2. Land and Building</p> <p>(a) any lease, tenancy, easement, licence to occupy land is a supply of services;  (b) any lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly, is a supply of services.</p> <p style="text-align: center;">3. Treatment or process</p> <p>Any treatment or process which is applied to another person's goods is a supply of services.</p> <p style="text-align: center;">4. Transfer of business assets</p> <p>(a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, whether or not for a consideration, such transfer or disposal is a supply of goods by the person;  (b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, whether or not for a consideration, the usage or making available of such goods is a supply of services;  (c) where any person ceases to be a taxable person, any goods forming part of the assets of any business carried on by him shall be deemed to be supplied by him in the course or furtherance of his business immediately before he ceases to be a taxable person, unless—</p>	

	<p>(i) the business is transferred as a going concern to another person; or (ii) the business is carried on by a personal representative who is deemed to be a taxable person.</p> <p style="text-align: center;"><b>5. Supply of services</b></p> <p>The following shall be treated as supply of service, namely:-</p> <p>(a) renting of immovable property;</p> <p>(b) construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p><i>Explanation.</i>—For the purposes of this clause—</p> <p>(1) the expression "competent authority" means the Government or any authority authorised to issue completion certificate under any law for the time being in force and in case of non-requirement of such certificate from such authority, from any of the following, namely:—</p> <p>(i) an architect registered with the Council of Architecture constituted under the Architects Act, 1972 (20 of 1972); or</p> <p>(ii) a chartered engineer registered with the Institution of Engineers (India); or</p> <p>(iii) a licensed surveyor of the respective local body of the city or town or village or development or planning authority;</p> <p>(2) the expression "construction" includes additions, alterations, replacements or remodeling of any existing civil structure;</p> <p>(c) temporary transfer or permitting the use or enjoyment of any intellectual property right;</p> <p>(d) development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software;</p> <p>(e) agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act; and</p> <p>(f) transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.</p> <p><b>6. Composite supply</b></p>	
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	<p>The following composite supplies shall be treated as a supply of services, namely:—</p> <p>(a) works contract as defined in clause (119) of section 2; and</p> <p>(b) supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.</p> <p style="text-align: center;"><b>7. Supply of Goods</b></p> <p>The following shall be treated as supply of goods, namely:-</p> <p>Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.</p>	
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	<b>SCHEDULE III</b> [Section 7]	
	<b>ACTIVITIES OR TRANSACTIONS WHICH SHALL BE TREATED NEITHER AS A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES</b>	
	<p>1. Services by an employee to the employer in the course of or in relation to his employment.</p> <p>2. Services by any court or Tribunal established under any law for the time being in force.</p> <p>3.(a) the functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities;</p> <p>(b) the duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or</p> <p>(c) the duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.</p> <p>4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.</p> <p>5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.</p> <p>6. Actionable claims, other than lottery, betting and gambling.</p> <p><i>Explanation.</i>—For the purposes of paragraph 2 the term “court” includes District Court, High Court and Supreme Court.</p>	

	THE UNION TERRITORY GOODS AND SERVICES TAX BILL, 2017	
	A  BILL	
	to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Union Territories	
	BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—	
	CHAPTER I PRELIMINARY	
	1. (1) This Act may be called the Union Territory Goods and Services Tax Act, 2017	Short title, extent and commencement.
	(2) It extends to the Union territories of the Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu, Chandigarh and other territory.	
	(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:	
	Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.	

	2. In this Act, unless the context otherwise requires,—	Definitions.
	(1) “Commissioner” means the Commissioner of Union territory tax appointed under section 3;	
	(2) “designated authority” means such authority as may be notified by the Commissioner;	
	(3) “exempt supply” means supply of any goods or services or both which attracts nil rate of tax or which may be exempt from tax under section 8, or under section 6 of the Integrated Goods and Services Tax Act, and includes non taxable supply;	
	(4) “existing law” means any law, notification, order, rule or regulation relating to levy and collection of duty or tax on goods or services or both passed or made before the commencement of this Act by Parliament or any authority or person having the power to make such law, notification, order, rule or regulation;	
	(5) “Government” means the Administrator or any authority or officer authorised to act as Administrator by the Central Government;	
	(6) “output tax” in relation to a taxable person, means the Union territory tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;	
	<p>(7) “Union territory” means the territory of,-</p> <ul style="list-style-type: none"> <li>(i) the Andaman and Nicobar Islands;</li> <li>(ii) Lakshadweep;</li> <li>(iii) Dadra and Nagar Haveli;</li> <li>(iv) Daman and Diu;</li> <li>(v) Chandigarh; or</li> <li>(vi) Other territory.</li> </ul> <p><i>Explanation.-</i> For the purposes of this Act, each of the territories specified in clauses (i) to (vi) shall be considered to be a separate Union territory;</p>	
	(8) “Union territory tax” means the tax levied under this Act;	
	(9) words and expressions used and not defined in this Act but defined in the Central Goods and Services Tax Act, the Integrated Goods and Services Tax Act, the State Goods and Services Tax Act, and the Goods and Services Tax (Compensation to States) Act, shall have the same meaning as assigned to them in those Acts.	
	CHAPTER II	



	ADMINISTRATION	
	3. The Administrator may, by notification, appoint Commissioners and such other class of officers as may be required for carrying out the purposes of this Act and such officers shall be deemed to be proper officers for such purposes as may be specified therein:	Officers under this Act.
	Provided that the officers appointed under the existing law shall be deemed to be the officers appointed under the provisions of this Act.	
	4. The Administrator may authorise any officer to appoint officers of Union territory tax below the rank of Assistant Commissioner of Union territory tax for the administration of this Act.	Authorisation of officers.
	5. (1) Subject to such conditions and limitations as the Commissioner may impose, an officer of the Union territory tax may exercise the powers and discharge the duties conferred or imposed on him under this Act.	Powers of officers:-
	(2) An officer of a Union territory tax may exercise the powers and discharge the duties conferred or imposed under this Act on any other officer of a Union territory tax who is subordinate to him.	
	(3) The Commissioner may, subject to such conditions and limitations as may be specified in this behalf by him, delegate his powers to any other officer subordinate to him.	
	(4) Notwithstanding anything contained in this section, an Appellate Authority shall not exercise the powers and discharge the duties conferred or imposed on any other officer of Union territory tax.	
	6. (1) Without prejudice to the provisions of this Act, the officers appointed under the Central Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify.	Authorisation of officers of central tax as proper officer in certain circumstances.
	(2) Subject to the conditions specified in the notification issued under sub-section (1),-	
	(a) where any proper officer issues an order under this Act, he shall also issue an order under the Central Goods and Services Tax Act, as authorised by the said Act under intimation to the jurisdictional officer of central tax;	

	(b) where a proper officer under the Central Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.	
	(3) Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act, shall not lie before an officer appointed under the Central Goods and Services Tax Act.	
	<b>CHAPTER III</b> <b>LEVY AND COLLECTION OF TAX</b>	
	7. (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty per cent., as may be notified by the Central Government, on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.	Levy and Collection.
	(2) The Union territory tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Central Government on the recommendations of the Council.	.
	(3) The Central Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.	
	(4) The Union territory tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.	
	(5) The Central Government may, on the recommendations of the Council, by notification, specify categories of services	

	the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:	
	Provided that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:	
	Provided further that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.	
	8. (1) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.	Power to grant exemption from tax.
	(2) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by special order in each case, under circumstances of an exceptional nature to be stated in such order, exempt from payment of tax any goods or services or both on which tax is leviable.	
	(3) The Central Government may, if it considers necessary or expedient so to do for the purpose of clarifying the scope or applicability of any notification issued under sub-section (1) or order issued under sub-section (2), insert an explanation in such notification or order, as the case may be, by notification at any time within one year of issue of the notification under sub-section (1) or order under sub-section (2), and every such explanation shall have effect as if it had always been the part of the first such notification or order, as the case may be.	
	(4) Any notification issued by the Central Government under sub-section (1) of section 11 of the Central Goods and Services Tax Act shall be deemed to be a notification issued under this Act.	

	<i>Explanation.</i> —For the purposes of this section, where an exemption in respect of any goods or services or both from the whole or part of the tax leviable thereon has been granted absolutely, the registered person supplying such goods or services or both shall not collect the tax, in excess of the effective rate, on such supply of goods or services or both.	
	<b>CHAPTER - IV PAYMENT OF TAX</b>	
	9. On utilisation of input tax credit of Union territory tax for payment of tax dues under the Integrated Goods and Services Tax Act in accordance with the provisions of sub-section (5) of section 49 of the Central Goods and Services Tax Act, the amount collected as Union territory tax shall stand reduced by an amount equal to such credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the Union territory tax account to the integrated tax account in such manner and within such time as may be prescribed.	Transfer of input tax credit.
	<b>CHAPTER V INSPECTION, SEARCH SEIZURE AND ARREST</b>	
	10. (1) All officers of Police, Railways, Customs, and those engaged in the collection of land revenue, including village officers, and officers of central tax and officers of the State tax shall assist the proper officers in the implementation of this Act.	Officers required to assist proper officers.
	(2) The Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so by the Commissioner.	
	<b>CHAPTER VI DEMANDS AND RECOVERY</b>	

	11.(1) Where any amount of tax, interest or penalty is payable by a person to the Government under any of the provisions of this Act or the rules made thereunder and which remains unpaid, the proper officer of central tax, during the course of recovery of said tax arrears, may recover the amount from the said person as if it were an arrear of central tax and credit the amount so recovered to the account of the Government under the appropriate head of Union territory tax.	Recovery of tax.
	(2) Where the amount recovered under sub-section (1) is less than the amount due to the Government under this Act and the Central Goods and Services Act, the amount to be credited to the account of the Government shall be in proportion to the amount due as Union territory tax and central tax.	
	<b>CHAPTER– VII</b> <b>ADVANCE RULING</b>	
	12. In this Chapter, unless the context otherwise requires,—	Definitions.
	(a) “advance ruling” means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100 of the Central Goods and Services Tax Act, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;	
	(b) “applicant” means any person registered or desirous of obtaining registration under this Act;	
	(c) “application” means an application made to the Authority under sub-section (1) of section 97 of the Central Goods and Services Tax Act;	
	(d) “Authority” means the Authority for Advance Ruling, <b><i>constituted under section 13;</i></b>	
	(e) “Appellate Authority” means the Appellate Authority for Advance Ruling <b><i>constituted under section 14.</i></b>	

	<b>13. (1) The Central Government shall, by notification, constitute an Authority to be known as the &lt;Name of the Union territory&gt; Authority for Advance Ruling:</b>	<b>Constitution of Authority for Advance Ruling.</b>
	<b>Provided that the Central Government may, on the recommendations of the Council, notify any Authority located in any State or any other Union territory to act as the Authority for the purposes of this Act.</b>	
	<b>(2) The Authority shall consist of-</b>  <b>(i) one member from amongst the officers of central tax; and</b> <b>(ii) one member from amongst the officers of Union territory tax,</b>  <b>to be appointed by the Central Government.</b>	
	<b>(3) The qualifications, the method of appointment of the members and the terms and conditions of their service shall be such as may be prescribed.</b>	
	<b>14. (1) The Central Government shall, by notification, constitute an Appellate Authority to be known as &lt;Name of the Union territory&gt; Appellate Authority for Advance Ruling for Goods and Services Tax for hearing appeals against the advance ruling pronounced by the Advance Ruling Authority:</b>	<b>Constitution of Appellate Authority for Advance Ruling.</b>
	<b>Provided that the Central Government may, on the recommendations of the Council, notify any Appellate Authority located in any State or any other Union territory to act as the Appellate Authority for the purposes of this Act.</b>	
	<b>(4) The Appellate Authority shall consist of-</b> <b>(i) the Chief Commissioner of central tax as designated by the Board; and</b> <b>(ii) the Commissioner of Union territory tax having jurisdiction over the applicant.</b>	
	<b>CHAPTER -VIII TRANSITIONAL PROVISIONS</b>	

	15.(1) On and from the appointed day, every person registered under any of the existing laws and having a valid Permanent Account Number shall be issued a certificate of registration on provisional basis, subject to such conditions and in such form and manner as may be prescribed, and unless replaced by a final certificate of registration under sub-section (2), shall be liable to be cancelled if the conditions so prescribed are not complied with.	Migration of existing taxpayers.
	(2) The final certificate of registration shall be granted in such form and manner and subject to such conditions as may be prescribed.	
	(3) The certificate of registration issued to a person under sub-section (1) shall be deemed to have not been issued if the said registration is cancelled in pursuance of an application filed by such person that he was not liable to registration under section 22 or section 24 of the Central Goods and Services Tax Act.	
	16. (1) A registered person, other than a person opting to pay tax under section 10 of the Central Goods and Services Tax Act, shall be entitled to take, in his electronic credit ledger, credit of the amount of Value Added Tax [and Entry Tax] carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law, not later than ninety days after the said day, in such manner as may be prescribed:	Transitional arrangements for input tax credit.
	Provided that the registered person shall not be allowed to take credit in the following circumstances, namely: –	
	(i) where the said amount of credit is not admissible as input tax credit under this Act; or (ii) where he has not furnished all the returns required under the existing law for the period of six months immediately preceding the appointed date; or	
	(iii) where the said amount of credit relates to goods sold under such exemption notifications as are notified by the Government:	
74 of 1956	Provided further that so much of the said credit as is attributable to any claim related to section 3, sub-section (3) of section 5, section 6 or section 6A or sub-section (8) of section 8 of the Central Sales Tax Act, 1956 that is not substantiated in the manner, and within the period, prescribed in rule 12 of the Central Sales Tax (Registration	

	and Turnover) Rules, 1957 shall not be eligible to be credited to the electronic credit ledger:	
	Provided also that an amount equivalent to the credit specified in the second proviso shall be refunded under the existing law when the said claims are substantiated in the manner prescribed in rule 12 of the Central Sales Tax (Registration and Turnover) Rules, 1957.	
	(2) A registered person, other than a person opting to pay tax under section 10 of the Central Goods and Services Tax Act, shall be entitled to take, in his electronic credit ledger, credit of the unavailed input tax credit in respect of capital goods, not carried forward in a return, furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day in such manner as may be prescribed:	
	Provided that the registered person shall not be allowed to take credit unless the said credit was admissible as input tax credit under the existing law and is also admissible as input tax credit under this Act.	
	<i>Explanation.</i> —For the purposes of this section, the expression “unavailed input tax credit” means the amount that remains after subtracting the amount of input tax credit already availed in respect of capital goods by the taxable person under the existing law from the aggregate amount of input tax credit to which the said person was entitled in respect of the said capital goods under the existing law.	
	(3) A registered person, who was not liable to be registered under the existing law or who was engaged in the sale of exempted goods [or tax free goods] under the existing law but which are liable to tax under this Act [or where the person was entitled to the credit of input tax at the time of sale of goods], shall be entitled to take, in his electronic credit ledger, credit of the value added tax [and entry tax] in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions namely: —	
	(i) such inputs or goods are used or intended to be used for making taxable supplies under this Act;	
	(ii) the said registered person is eligible for input tax credit on such inputs under this Act;	



	(iii) the said registered person is in possession of invoice or other prescribed documents evidencing payment of tax under the existing law in respect of such inputs; and	
	(iv) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day:	
	Provided that where a registered person, other than a manufacturer or a supplier of services, is not in possession of an invoice or any other documents evidencing payment of tax in respect of inputs, then, such registered person shall, subject to such conditions, limitations and safeguards as may be prescribed, including that the said taxable person shall pass on the benefit of such credit by way of reduced prices to the recipient, be allowed to take credit at such rate and in such manner as may be prescribed.	
	(4) A registered person, who was engaged in the sale of taxable goods as well as exempted goods [or tax free goods] under the existing law but which are liable to tax under this Act, shall be entitled to take, in his electronic credit ledger,-	
	(a) the amount of credit of the value added tax [and entry tax] carried forward in a return furnished under the existing law by him in accordance with the provisions of sub-section (1); and	
	(b) the amount of credit of the value added tax [and entry tax] in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day, relating to such exempted goods [or tax free goods] in accordance with the provisions of sub-section (3).	
	(5) A registered person shall be entitled to take, in his electronic credit ledger, credit of value added tax [and entry tax] in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law, subject to the condition that the invoice or any other tax paying document of the same was recorded in the books of account of such person within a period of thirty days from the appointed day:	

	Provided that the period of thirty days may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding thirty days.	
	Provided further that the said registered person shall furnish a statement, in such manner as may be prescribed, in respect of credit that has been taken under this sub-section.	
	(6) A registered person, who was either paying tax at a fixed rate or paying a fixed amount in lieu of the tax payable under the existing law shall be entitled to take, in his electronic credit ledger, credit of value added tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely:—	
	(i) such inputs or goods are used or intended to be used for making taxable supplies under this Act;	
	(ii) the said registered person is not paying tax under section 10 of the Central Goods and Services Tax Act;	
	(iii) the said registered person is eligible for input tax credit on such inputs under this Act;	
	(iv) the said registered person is in possession of invoice or other prescribed documents evidencing payment of tax under the existing law in respect of inputs; and	
	(v) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day.	
	(7) The amount of credit under sub-sections (3), (4) and (6) shall be calculated in such manner as may be prescribed.	
	16. (1) Where any inputs received at a place of business had been despatched as such or despatched after being partially processed to a job worker for further processing, testing, repair, reconditioning or any other purpose in accordance with the provisions of existing law prior to the appointed day and such inputs are returned to the said place on or after the appointed day, no tax shall be payable if such inputs, after completion of the job work or otherwise, are returned to the said place within six months from the appointed day:	Transitional provisions relating to job work.

	Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:	
	Provided further that if such inputs are not returned within a period of six months or the extended period from the appointed day, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142 of the Central Goods and Services Tax Act.	
	(2) Where any semi-finished goods had been despatched from any place of business to any other premises for carrying out certain manufacturing processes in accordance with the provisions of existing law prior to the appointed day and such goods (hereafter in this sub-section referred to as “the said goods”) are returned to the said place on or after the appointed day, no tax shall be payable if the said goods, after undergoing manufacturing processes or otherwise, are returned to the said place within six months from the appointed day:	
	Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:	
	Provided further that if the said goods are not returned within a period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142 of the Central Goods and Services Tax Act:	
	Provided also that the person despatching the goods may, in accordance with the provisions of the existing law, transfer the said goods to the premises of any registered person for the purpose of supplying therefrom on payment of tax in India or without payment of tax for exports within six months or the extended period, as the case may be, from the appointed day.	

	(3) Where any goods had been despatched from the place of business without payment of tax for carrying out tests or any other process, to any other premises, whether registered or not, in accordance with the provisions of existing law prior to the appointed day and such goods (herein after referred to as the “said goods”) are returned to the said place of business on or after the appointed day, no tax shall be payable if the said goods, after undergoing tests or any other process, are returned to such place within six months from the appointed day:	
	Provided that the period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:	
	Provided further that if the said goods are not returned within the period specified in this sub-section, the input tax credit shall be liable to be recovered in accordance with the provisions of clause (a) of sub-section (8) of section 142 of the Central Goods and Services Tax Act:	
	Provided also that the person despatching the goods may, in accordance with the provisions of the existing law, transfer the said goods from the said other premises on payment of tax in India or without payment of tax for exports within six months or the extended period, as the case may be, from the appointed day.	
	(4) The tax under sub-sections (1), (2) and (3) shall not be payable only if the person despatching the goods and the job worker declare the details of the inputs or goods held in stock by the job worker on behalf of the said person on the appointed day in such form and manner and within such time as may be prescribed.	
	17.(1) Where any goods on which tax, if any, had been paid under the existing law at the time of sale thereof, not being earlier than six months prior to the appointed day, are returned to any place of business on or after the appointed day, the registered person shall be eligible for refund of the tax paid under the existing law where such goods are returned by a person, other than a registered person, to the said place of business within a period of six months from the appointed day and such goods are identifiable to the satisfaction of the proper officer:	Miscellaneous transitional provisions.

	<p>Provided that if the said goods are returned by a registered person, the return of such goods shall be deemed to be a supply.</p>	
	<p>(2) (a) Where, in pursuance of a contract entered into prior to the appointed day, the price of any goods is revised upwards on or after the appointed day, the registered person who had sold such goods may issue to the recipient a supplementary invoice or debit note, containing such particulars as may be prescribed, within thirty days of such price revision and for the purposes of this Act, such supplementary invoice or debit note shall be deemed to have been issued in respect of an outward supply made under this Act.</p>	
	<p>(b) Where, in pursuance of a contract entered into prior to the appointed day, the price of any goods is revised downwards on or after the appointed day, the registered person who had sold such goods may issue to the recipient a credit note, containing such particulars as may be prescribed, within thirty days of such price revision and for the purposes of this Act such credit note shall be deemed to have been issued in respect of an outward supply made under this Act:</p>	
	<p>Provided that the registered person shall be allowed to reduce his tax liability on account of issue of the credit note only if the recipient of the credit note has reduced his input tax credit corresponding to such reduction of tax liability.</p>	
	<p>(3) Every claim for refund filed by any person before, on or after the appointed day, for refund of any amount of input tax credit, tax, interest or any other amount paid under the existing law, shall be disposed of in accordance with the provisions of existing law and any amount eventually accruing to him shall be refunded to him in cash in accordance with the provisions of the said law:</p>	
	<p>Provided that where any claim for refund of the amount of input tax credit is fully or partially rejected, the amount so rejected shall lapse:</p>	
	<p>Provided further that no refund claim shall be allowed of any amount of input tax credit where the balance of the said amount as on the appointed day has been carried forward under this Act.</p>	

	(4) Every claim for refund filed after the appointed day for refund of any tax paid under the existing law in respect of the goods exported before or after the appointed day shall be disposed of in accordance with the provisions of the existing law:	
	Provided that where any claim for refund of input tax credit is fully or partially rejected, the amount so rejected shall lapse:	
	Provided further that no refund claim shall be allowed of any amount of input tax credit where the balance of the said amount as on the appointed day has been carried forward under this Act.	
	(5) (a) Every proceeding of appeal, revision, review or reference relating to a claim for input tax credit initiated whether before, on or after the appointed day, under the existing law shall be disposed of in accordance with the provisions of the existing law, and any amount of credit found to be admissible to the claimant shall be refunded to him in cash in accordance with the provisions of the existing law and the amount rejected, if any, shall not be admissible as input tax credit under this Act:	
	Provided that no refund claim shall be allowed of any amount of input tax credit where the balance of the said amount as on the appointed day has been carried forward under this Act.	
	(b) Every proceeding of appeal, revision, review or reference relating to recovery of input tax credit initiated whether before, on or after the appointed day, under the existing law shall be disposed of in accordance with the provisions of the existing law, and if any amount of credit becomes recoverable as a result of such appeal, revision, review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.	
	(6) (a) Every proceeding of appeal, revision, review or reference relating to any output tax liability initiated whether before, on or after the appointed day under the existing law, shall be disposed of in accordance with the provisions of the existing law, and if any amount becomes recoverable as a result of such appeal, revision, review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act	

	and amount so recovered shall not be admissible as input tax credit under this Act.	
	(b) Every proceeding of appeal, revision, review or reference relating to any output tax liability initiated whether before, on or after the appointed day under the existing law, shall be disposed of in accordance with the provisions of the existing law, and any amount found to be admissible to the claimant shall be refunded to him in cash in accordance with the provisions of the existing law and the amount rejected, if any, shall not be admissible as input tax credit under this Act.	
	(7) (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 from the person, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.	
	(b) 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 refundable to the taxable person, the same shall be refunded to him in cash under the said law and the amount rejected, if any, shall not be admissible as input tax credit under this Act.	
	(8) (a) 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 input tax credit is found to be inadmissible, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.	
	(b) Where any return, furnished under the existing law, is revised after the appointed day but within the time limit specified for such revision under the existing law and if, pursuant to such revision, any amount is found to be refundable or input tax credit is found to be admissible to any taxable person, the same shall be refunded to him in cash under the existing law and the amount rejected, if any, shall not be admissible as input tax credit under this Act.	

	(9) Save as otherwise provided in this Chapter, the goods or services or both supplied on or after the appointed day in pursuance of a contract entered into prior to the appointed day shall be liable to tax under the provisions of this Act.	
	(10) (a) Notwithstanding anything contained in section 12 of the Central Goods and Services Tax Act, no tax shall be payable on goods under this Act to the extent the tax was leviable on the said goods under existing law.	
32 of 1994.	(b) Notwithstanding anything contained in section 13 of the Central Goods and Services Tax Act, no tax shall be payable on services under this Act to the extent the tax was leviable on the said services under Chapter V of the Finance Act, 1994.	
32 of 1994.	(c) Where tax was paid on any supply, both under any existing law relating to sale of goods and under Chapter V of the Finance Act, 1994, tax shall be leviable under this Act and the taxable person shall be entitled to take credit of value added tax or service tax paid under the existing law to the extent of supplies made after the appointed day and such credit shall be calculated in such manner as may be prescribed.	
	(11) Where any goods sent on approval basis, not earlier than six months before the appointed day, are rejected or not approved by the buyer and returned to the seller on or after the appointed day, no tax shall be payable thereon if such goods are returned within six months from the appointed day:	
	Provided that the said period of six months may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding two months:	
	Provided further that the tax shall be payable by the person returning the goods if such goods are liable to tax under this Act, and are returned after the period specified in this sub-section:	
	Provided also that tax shall be payable by the person who has sent the goods on approval basis if such goods are liable to tax under this Act, and are not returned within the period specified in this sub-section.	



	(12) Where a supplier has made any sale of goods in respect of which tax was required to be deducted at source under any existing law relating to sale of goods and has also issued an invoice for the same before the appointed day, no deduction of tax at source under section 51 of the Central Goods and Services Tax Act, as made applicable to this Act, shall be made by the deductor under the said section where payment to the said supplier is made on or after the appointed day.	
	Explanation.- For the purpose of this Chapter, the expression “capital goods” shall have the same meaning as assigned to it in any existing law relating to sale of goods.	
	<b>CHAPTER IX</b> <b>MISCELLANEOUS PROVISIONS</b>	
	<p><b>18. (1)</b> Subject to the provisions of this Act and the rules made thereunder, the provisions of the Central Goods and Services Tax Act, relating to, –</p> <ul style="list-style-type: none"> <li>i. scope of supply;</li> <li>ii. composition levy;</li> <li>iii. composite supply and mixed supply;</li> <li>iv. time and value of supply;</li> <li>v. input tax credit;</li> <li>vi. registration;</li> <li>vii. tax invoice, credit and debit notes;</li> <li>viii. accounts and records;</li> <li>ix. returns;</li> <li>x. payment of tax;</li> <li>xi. tax deduction at source;</li> <li>xii. collection of tax at source;</li> <li>xiii. assessment;</li> <li>xiv. refunds;</li> <li>xv. audit;</li> <li>xvi. inspection, search, seizure and arrest;</li> <li>xvii. demands and recovery;</li> <li>xviii. liability to pay in certain cases;</li> <li>xix. advance ruling;</li> <li>xx. appeals and revision;</li> <li>xxi. presumption as to documents;</li> <li>xxii. offences and penalties;</li> <li>xxiii. job work;</li> <li>xxiv. electronic commerce;</li> <li>xxv. settlement of funds;</li> <li>xxvi. transitional provisions; and</li> </ul>	Application of provisions of Central Goods and Services Tax Act.

	<p>xxvii. miscellaneous provisions including the provisions relating to the imposition of interest and penalty,</p> <p>shall, <i>mutatis mutandis</i>, apply,-</p> <p>(a) so far as may be, in relation to Union territory tax as they apply in relation to central tax as if they were enacted under this Act;</p> <p>(b) subject to the following modifications and alterations which the Central Government considers necessary and desirable to adapt those provisions to the circumstances, namely, -</p>	
	<p>(a) references to “ this Act” shall be deemed to be references to “the Union Territory Goods and Services Tax Act, 2017”;</p> <p>(b) references to “Commissioner” shall be deemed to be references to Commissioner” of Union territory tax as defined in sub-section (3) of section 2 of this Act;</p> <p>(c) references to “officers of central tax” shall be deemed to be references to “officers of Union territory tax”;</p> <p>(d) reference to “central tax” shall be deemed to be reference to “Union territory tax”.</p> <p>(e) references to “Commissioner of State tax or Commissioner of Union territory tax” shall be deemed to be references to “Commissioner of central tax”.</p> <p>(f) references to “State Goods and Services tax Act or Union Territory Goods and Services tax Act” shall be deemed to be references to “Central Goods and Services tax Act”.</p>	
	19.(1) The Central Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.	Power to make rules.
	(2) Without prejudice to the generality of the provisions of sub-section (1), the Central Government may make rules for all or any of the matters which by this Act are required to be, or may be, prescribed or in respect of which provisions are to be or may be made by rules.	
	(3) The power to make rules conferred by this section shall include the power to give retrospective effect to	

	the rules or any of them from a date not earlier than the date on which the provisions of this Act come into force.	
	(4) Any rules made under sub-section (1) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.	
	20. The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act.	General power to make regulations.
	21. Every rule made by the Central Government, every regulation made by the Board and every notification issued by the Central Government under this Act, shall be laid, as soon as may be, after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or in the notification, as the case may be, or both Houses agree that the rule or regulation or the notification should not be made, the rule or regulation or notification, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation or notification, as the case may be.	Laying of rules, regulations and notifications.
	22. The Commissioner may, if he considers it necessary or expedient so to do for the purpose of uniformity in the implementation of the this Act, issue such orders, instructions or directions to the Union territory tax officers as he may deem fit, and thereupon all such officers and all other persons employed in the implementation of the this Act shall observe and follow such orders, instructions or directions:	Power to issue instructions or directions
<b>Omissions, substitutions, and insertions in the Acts to be entered here</b>	<b>23. Save as otherwise provided in this Act, on and from the date of commencement of this Act,-</b> <b>(i) in ----- Act/Regulation..... shall be omitted;</b> <b>(ii) .....</b>	<b>Amendment of certain Acts</b>
	24. (1) <b>Save as otherwise provided in this Act, on and from the date of commencement of this Act,-</b> <b>(i) the &lt;Name of Union Territory&gt; Value Added Tax Regulation/Act..., except in respect of goods included in</b>	Repeal and saving.

	<p><i>the Entry 54 of the State List of the Seventh Schedule to the Constitution,</i></p> <p><i>(ii) .....</i></p> <p><i>(ii) .....</i></p> <p><i>(hereafter referred to as the repealed Acts) are hereby repealed.</i></p>	
	(2) The repeal of the said Acts shall not—	
	(a) revive anything not in force or existing at the time of such repeal; or	
	(b) affect the previous operation of the amended or repealed Acts or anything duly done or suffered thereunder; or	
	(c) affect any right, privilege, obligation, or liability acquired, accrued or incurred under the amended or repealed Acts:	
	Provided that any tax exemption granted as an incentive against investment through a notification shall not continue as privilege if the said notification is rescinded on or after the appointed day; or	
	(d) affect any tax, surcharge, penalty, interest as are due or may become due or any forfeiture or punishment incurred or inflicted in respect of any offence or violation committed under the provisions of the amended or repealed Acts; or	
	(e) affect any investigation, inquiry, assessment proceeding, adjudication and any other legal proceeding or remedy in respect of any such tax, surcharge, penalty, fine, interest, right, privilege, obligation, liability, forfeiture or punishment, as aforesaid, and any such investigation, inquiry, assessment proceeding, adjudication and other legal proceeding or remedy may be instituted, continued or enforced, and any such tax, surcharge, penalty, interest, forfeiture or punishment may be levied or imposed as if these Acts had not been so amended or repealed.	
	(f) affect any proceeding including that relating to an appeal, revision, review or reference, instituted before, on or after the appointed day under the said amended or repealed Acts and such proceeding shall be continued under the said amended or repealed Acts as if this Act had not come into force and the said Acts had not been amended or repealed.	

	<b>25.</b> (1) If any difficulty arises in giving effect to any provision of this Act, the Central Government may, on the recommendations of the Council, by a general or a special order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act or the rules or regulations made thereunder, as may be necessary or expedient for the purpose of removing the said difficulty:	Removal of difficulties.
	Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.	
	(2) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.	

**Notes:**

- 1) Amendments, Repeals and Savings to existing laws to be examined by respective Administration of UTs**
- 2) The expression “existing law relating to tax on sale of goods” has been used in this draft law in absence of list of laws in force in the respective UTs**
- 3) A single draft law for all UTs has been prepared.**