

Simplified Approach to

GST

A Ready Referencer

CA. Raman Singla

B.Com (H), LL.B, FCA



March 2021

- CGST Act, 2017
- UTGST Act, 2017
- Updated GST Rules
- GST Notifications
- IGST Act, 2017
- GST Compensation Act, 2017
- GST Circulars

Simplified Approach to
GST
A READY REFERENCER



Simplified Approach to GST A READY REFERENCER

Incorporating:

- Tabular Presentation of GST Law
- GST Updated Law upto March' 2021
- All Notifications upto March' 2021
- GST Circulars upto March' 2021

March 2021 Edition

Authored By:

CA. RAMAN SINGLA



TAXGURU EDUCATION LLP

© All Rights Reserved with the Publisher

Price: ₹1695

March 2021 Edition

Sales & Marketing:

TaxGuru Education LLP
509, Swapna Siddhi, Akurli Road,
Near Railway Station, Kandivali (East),
Mumbai – 400 101.
Ph: 8899117701

Published by:

TaxGuru Education LLP

Every effort has been made to avoid errors or omissions in this publication. In spite of this, errors may creep in. Any mistake, error or discrepancy noted may be brought to our notice which shall be taken care of in the next edition. This book is sold with the understanding that neither the author nor the publisher shall be responsible for any damage or loss of any kind, in any manner, there from. It is suggested that to avoid any doubt the reader should cross check all the facts, law and contents of the publication with original Government publication or notifications.

No part of this book may be reproduced or copied in any form or by any means [graphic, electronic or mechanical, including photocopying, recording, taping, or information retrieval systems] or reproduced on any disc, tape, perforated media or other information storage device, etc., without the written permission of the author. Breach of this condition is liable for legal action.

All disputes are subject to Delhi jurisdiction only

About TaxGuru Edu



TaxGuru Edu is an educational platform jointly ventured by **CA. Sandeep Kanoi** from **TaxGuru.in** and **CA. Raman Singla** from **GST Professionals**. TaxGuru Edu provides practical learning through full length courses delivered by eminent professionals through Online, Pen-drive and Center Learning across India. The platform focuses on Taxation, Accounting, Finance, Audit and Corporate Laws.

The very fact that a large number of C.A., C.S., ICWA, Finance Professionals, Tax Professionals and other Account professionals depends on TaxGuru Edu for their overall practical development speaks volumes about the authenticity, trust and reach of the services of TaxGuru Edu.

About the Book

The long awaited Goods and Service Tax has become a reality w.e.f. 01.07.2017. Some of the taxes subsumed in GST are implemented since past 75 years. This is going to be the biggest Tax reform India will ever see since Independence. A careful understanding and applicability of the new provisions will go a great length in helping our smooth transition towards GST.

This book updated upto 01.03.2021 gives you an easy and comprehensive understanding of the GST law applicable in India. The name of the book itself suggests its target to create a simplified understanding on the subject of GST. It aims to provide its readers a complete exposure to the practical implications by citing FAQs at relevant places, which will foster a great grip over the subject. The book not only focuses on the professionals like CA/CS/CWA/LLB, but is also a helping guide to all the taxpayers & businessmen's enabling them to maintain a compliant and hassle free tax structure.

Special Features

- ✓ Tabular Presentation of GST Law
- ✓ GST Acts' 2017 and GST Amendment Act 2018
- ✓ GST Rules as notified upto 1st March' 2021
- ✓ All Notifications upto 1st March' 2021
- ✓ GST Circulars upto 1st March' 2021

Few of our Book Reviews for Previous Editions

“Simplified Approach to GST – A Ready Referencer is an excellent piece of professional work by Mr. Raman Singla. It successfully transforms a complex tax statute which is further complicated by amendments, notifications and clarifications and stretched by its amenability to diverse interpretations, into substantive simple and understandable version.”

Pradeep Jain
Advocate – Supreme Court

“Distinguishing feature of this book is that it is prepared like handbook of the complete service tax law with excellent issues & there solutions & examples which are not available in any other book.”

CA Vikas Goyal
Former Chairman Gurgaon Branch of ICAI

“It is like a completely blurred picture coming a bright picture in a beautiful picture frame”.

Abhishek Goyal
Advocate – Supreme Court

“The whole uniqueness of this book lies in its ability to clarify the topics to the last clause and to the last person. Most books are written for and understood by lawyers, Chartered accountants and professionals in the field. This one is for the understanding of assesses even the smallest of them who are most impacted and mostly left groping in the dark can benefit for the clarity brought to the law by this book.”

Pradeep Singh
**Formerly CEO, National Director and Secretary General and
Ex officio Member Board of Director SOS Children’s Villages of India**

“The major feature of this book is that it is very simple wording & understandable. Cover all statutory provisions, at a glance approach, incorporation of landmark judicial pronouncements of Supreme Court/High Court/Tribunal at appropriate places; incorporated all Notifications & departmental circulars.”

Joy Samanta

General Manager (F&A) - Hindustan Power Project Private Limited

“This book is an extraordinary work in Indirect Taxation undertaken by CA Raman Singla. Have seen such a simplification of a complex subject after a very long time. I really appreciate this initiative and congrats the entire team of IDT Professionals for giving greater clarity on multiple critical issues pertaining to the subject. I personally feel that every accounting professional should read and take maximum benefit of the topic.”

CA Shiv Singhal

Managing Director - Devalya Education Pvt. Ltd.

“The special thing about this book is how simply it explains the vast and complex issues with easy and profound examples. Another important feature is its linkage of various judgments with laws and wonderful explanation with extended clarity. And the last but not the least its sequences and arrangement of connected topics at one place so that user can understand the wider prospective of the subject matter with great ease.”

Mr. Arun Bhatti

Founder & COO - ORAHI

“It is a very nice book with simple language & understandable. Its cover all the bare Act & analyses with simple illustration & solutions. Nice tables are used to understand it easily. Covers tax planning also. Overall this book is summary of total service tax laws. Adopted multi- disciplinary approach for gaining specialization in the service tax.”

CA Rajesh Jain

Vice President - Emerald (Lands) India Pvt. Ltd.

“The book is very comprehensive and exhaustive on service tax laws of India. It has wide coverage and very much useful for professionals, business persons all concerned with service tax laws. It is a good compilation of all legal provisions on service tax regime in India and also includes commentary/ author’s opinion on controversies surrounding such provisions.”

Upvan Gupta

Associate Partner - Solicitors and Advocates

“From bare act, notifications and amendment to interpretations which are followed by discussions and analysis and personal discussions and practical illustrations, it helps to clear cobwebs that cloud the minds of professional, practitioners and assesses alike.”

CA Amit Gupta

Executive Member of Gurgaon Branch of ICAI

“Main Feature of this book is Comprehensiveness. One need not search for any legal provisions, circular, notification, judiciary, etc. after referring to the book. It is a must have for those concerned with service tax laws.”

CA Mahinder Kamboj

Partner - Agarwal Ramesh K & Co., Chartered Accountants

About the Author

CA. Raman Singla is an exemplary Chartered Accountant, a Law Graduate and a First Class Commerce Graduate from University of Delhi practicing in the field of Indirect Taxation and GST. He carries commendable knowledge and has proven track record in handling complex Indirect Tax and GST matters for many National and International Clients. His work is highly appreciated in taxation fraternity and is the first choice amongst clients.

He is an eminent speaker in seminars, workshops and trainings on GST organised by Ministry of MSME, Institute of Chartered and Cost Accountants of India, PSUs and Corporate. During his widely exposed professional career in Government, Public and Corporate Sector, he has been handling clients for GST Impact Assessment and Implementation projects in Industries such as Automobiles, Travel, Power, Telecom, Construction, IT, Banking, Manufacturing, Trading Concerns, Retail etc. Through his experience he felt that not only the professionals like CA/CS/CWA/MBA's, but almost all the personnel involved in a company's finance and accounting, find it very difficult to interpret the dynamic tax structure and understand its intricacies over their own business. In such a situation, he felt an indispensable need of making a book in which anybody can find a solution to service tax and GST. Due to his conceptual knowledge and practical exposure, he came up with "Simplified Approach to Service Tax" to de-jargonise the complex tax structure. His understanding of the topic is also a stepping stone of him being nominated as a Special Auditor for Service Tax Matters by Service Tax Department.

He has an interest in keeping abreast with all the modifications and changes that keep coming in the taxation laws & spreading the knowledge amongst

professionals through his articles, GST Corporate Workshops and Online Courses. All the amendments relating to GST can be easily accessed by subscribing to his website. He is regularly holding various online and open house GST events for Corporates & Professionals.

Presently, he is a GST consultant for many MNCs and Govt. Organisations and he is having his offices in Gurgoan, Mumbai and Delhi for GST Advisory and Consultancy.

Preface

For nearly fourteen years, India has been on the verge of implementing a GST. But now, with political consensus secured, the nation has executed one of the most ambitious and remarkable tax reforms in its independent history w.e.f. 01st July' 2017.

“Besides simplifying the indirect tax structure, GST would also help to create ‘One India’ by eliminating geographical fragmentation. It will remove the current cascading of taxes by ensuring the seamless flow of input credit across the value chain of both goods and services,”

Many benefits are claimed for the GST: that it will increase growth; that it will increase investment by making it easier to take advantage of input tax credits for capital goods; and that it will reduce cascading. While these are important, in our view three benefits stand out in today's context: “**Governance/Institutional reform**” and “**Make in India by Making one India**,” which are two key pillars of the government's reform efforts. The **investment, and hence growth**, benefits could also be substantial.

The GST will be the most significant tax reform in the fiscal history of India. It will impact prices, business processes, investments and profitability in all segments of the economy. It will also entail a fundamental shift in the way tax policies are made in the country. On the whole, it is not just a tax change but a paradigm shift in the way companies do business. As the GST is implemented w.e.f. 01st July' 2017, we as a professional, we as a business and we as an individual must put our best efforts in understanding this new regime.

This book is a ready referencer to the provisions of GST laws and contains the provisions of CGST, IGST, UTGST and Compensation to State Acts passed on

12th April' 2017, GST Rules, Notifications and Circulars upto March' 2021. It is an attempt to provide professionals with an in-depth analysis of crucial aspects of this law through a simplified approach.

I am thankful to my wife **Pallavi Singla**, who has given relentless support in accomplishing this great task, my brother **CA Mohit Singla** without whose support this task could not be completed in this short span of time. I would also appreciate the efforts of the entire team of **Devalya Advisory LLP, TaxGuru and M.S.M.E.** including **CA Yukti Aggarwal, CS Barkha Adlakha, CA Deepak Rao, Akash Sethi, Deeksha Singhal** who have constantly helped in compiling the book.

I humbly request all the respected readers of this book to provide comments, suggestions and constructive criticism, if any, with a view to improve the ensuing editions of this book.

Place: Gurgaon

Date: 01.03.2021

RAMAN SINGLA

B.Com (Hons), LL.B, FCA
30A, 1X, ILD Trade Tower,
Sector 47, Sohna Road,
Gurgaon-122001,

Email: caramansingla@gmail.com

Mobile:- **098998 34353**

Contents

About TaxGuru Edu.....	v	
About the Book	vii	
Few of our Book Reviews for Previous Editions.....	ix	
About the Author	xiii	
Preface	xv	
CHAPTER 1	Introduction to Goods & Services Tax (GST).....	1
CHAPTER 2	Constitutional Framework of GST	20
CHAPTER 3	Model GST Law – A Snapshot.....	27
CHAPTER 4	Chargeability for GST	40
CHAPTER 5	Composition Scheme	44
CHAPTER 6	GST & Exports	54
CHAPTER 7	Meaning of Supply	67
CHAPTER 8	Time of Supply	77
CHAPTER 9	Place of Supply.....	81
CHAPTER 10	Valuation Mechanism.....	93
CHAPTER 11	Input Tax Credit Mechanism	102
CHAPTER 12	Payment Mechanism	111
CHAPTER 13	Registration under GST.....	115
CHAPTER 14	Returns under GST.....	148

CHAPTER 15	Refunds under GST.....	157
CHAPTER 16	Electronic Commerce	162
CHAPTER 17	TDS / TCS	166
CHAPTER 18	Small Scale Exemption.....	169
CHAPTER 19	Job Work.....	173
CHAPTER 20	Anti-Profiteering Measure	176
CHAPTER 21	Audit	180
CHAPTER 22	Assessment	184
CHAPTER 23	Demand & Recovery	187
CHAPTER 24	Inspection, Search, Seizure & Arrest.....	191
CHAPTER 25	Offences and Penalties.....	200
CHAPTER 26	Appeal.....	206
CHAPTER 27	Advance Ruling.....	209
CHAPTER 28	Settlement Commission.....	213
CHAPTER 29	Overview of IGST.....	214
CHAPTER 30	Transitional Provisions	222
CHAPTER 31	GST Practitioner.....	238
CHAPTER 32	GST Acts 2017.....	243
CHAPTER 33	The Constitution (One Hundred and First Amendment) Act, 2016.....	474
CHAPTER 34	Tweet FAQs.....	482
CHAPTER 35	All Notifications/Circulars	511

Detailed Contents

About TaxGuru Edu.....	v
About the Book	vii
Few of our Book Reviews for Previous Editions.....	ix
About the Author	xiii
Preface	xv

CHAPTER 1 Introduction too Goods & Services Tax (GST).....	1
Justification of GST.....	2
Journey of GST	3
Concept of Dual GST – An Indian GST Model.....	5
How does GST works?	7
Benefits of Proposed GST.....	10
Salient features of the Indian GST model	12
GST Rate.....	14
Taxes to be subsumed under GST	15
Goods and Services Tax Network (GSTN)	16
Constitution and Shareholding Pattern of the Company.....	17
Funding Pattern and Revenue Model.....	17
Board of Directors	17
Initial Operations.....	18

Organisation Structure.....	18
Mandate of GSTN	18
Major Milestones	19
CHAPTER 2 Constitutional Framework of GST	20
Salient Features of GST Constitutional (101st Amendment) Act' 2016.....	21
Tabular presentation of all the amendments	22
CHAPTER 3 Model GST Law – A Snapshot.....	27
Major Changes introduced in GST Acts' 2017 passed on 12th April 2017	27
The list of provisions in GST Act' 2017 are tabulated below	30
Minimal interface.....	33
Input tax credit.....	33
Refund	34
Demands.....	35
Audit.....	35
Penalty disciplines	36
Alternate dispute resolution mechanism.....	36
Transitional provisions	37
Other provisions of GST Law	38
CHAPTER 4 Chargeability for GST	40
Provisions for Chargeability	40
CHAPTER 5 Composition Scheme.....	44
Frequently Asked Questions on Composition Levy	46
CHAPTER 6 GST & Exports.....	54
GST and Exports - Attention Exporters.....	54
Bond or Lut Along With Shipping Bill.....	55
Indian Customs Gears Up For Gst Roll-Out Guidance note for Importers and Exporters	56
Imports under GST.....	57
Exports under GST	61
Annexure-I.....	65
CHAPTER 7 Meaning of Supply	67
Meaning and Scope of the term "Supply"	67
Schedule-I.....	68

Schedule-II.....	68
Schedule-III.....	70
Types of Supply	71
Frequently asked Questions (FAQs)	73
CHAPTER 8 Time of Supply	77
Provisions For Time Of Supply Of Goods (Section 12)	77
Provisions for Time of Supply of Services (Section 13)	78
Frequently asked Questions (FAQs)	78
CHAPTER 9 Place of Supply.....	81
Need for Place of Supply of Goods and Services	81
Why are place of supply provisions different in respect of goods and services?	81
What is the need to have separate rules for place of supply in respect of B2B (supplies to registered persons) and B2C (supplies to unregistered persons) transactions?	82
Provisions for Place of Supply of Goods.....	82
Tabular Presentation For Place Of Supply Of Goods.....	83
Provisions for Place of Supply of Services	84
Tabular Presentation For Place Of Supply Of Services	84
Special provision for payment of tax by a supplier of online information and database access or retrieval services (Section 14 of IGST Act' 2017).....	89
Frequently asked Questions (FAQs)	90
CHAPTER 10 Valuation Mechanism.....	93
Importance of Valuation	93
Illustrative Issues.....	94
Valuation in GST Law	95
GST Valuation Rules.....	96
Frequently asked Questions (FAQs)	100
CHAPTER 11 Input Tax Credit Mechanism	102
Conditions necessary for obtaining ITC.....	102
Time limit for taking ITC	103
Negative list on which Input Tax Credit is not permitted	103
Miscellaneous points for ITC	104
Tax Credit Mechanism	105

Illustration-1 ITC (within the State).....	106
Illustration-2 (b/w different states).....	106
Illustration-3 ITC (b/w different States).....	107
Illustration-4 (b/w different States).....	107
Scheme of Law.....	108
Input Tax Credit.....	109
CHAPTER 12 Payment Mechanism	111
Conditions for Collection.....	111
The payment processes under proposed GST regime have the following features.....	112
With the above features in mind the following three modes of payment are proposed	112
Frequently asked Questions (FAQs)	113
CHAPTER 13 Registration under GST	115
Major features of the registration procedures under GST.....	115
Compulsory Registration	116
Provisional Registration	117
Steps for obtaining final registration certificate	119
List of Documents required to be uploaded for Final Registration Certificate.....	120
List of Documents for New GST Registration	122
Instructions for Amendment in Registration Certificate.....	125
Frequently Asked Questions (FAQs).....	125
Frequently Asked Question for Enrolment of the Existing Taxpayer on the GST System Portal (Issued by GSTN)	131
Frequently Asked Questions (FAQs).....	140
CHAPTER 14 Returns under GST.....	148
Periodicity of Return Filing.....	149
Other important points relating to periodicity of return filing	150
Frequently Asked Questions (FAQs).....	151
CHAPTER 15 Refunds under GST	157
Refund Provisions in Model GST Law	157
Refund scenarios in GST	158

Procedure.....	159
Unjust enrichment and consumer Welfare Fund.....	160
Withholding of refunds (Sec.54).....	160
Minimum threshold for refund [Sec 54(14)].....	161
Interest on delayed refunds (Sec.56).....	161
Refunds under earlier law to be paid in cash (See transitional provisions).....	161
CHAPTER 16 Electronic Commerce.....	162
Frequently asked Questions (FAQs).....	162
CHAPTER 17 TDS / TCS.....	166
Provisions for Tax Deducted at Source (TDS).....	166
Provisions for Tax Collected at Source (TCS).....	167
CHAPTER 18 Small Scale Exemption.....	169
Whether the threshold limit to be seen on 'All India basis' or 'State wise turnover' to be seen?.....	170
Voluntary Registration Facility.....	171
Non Applicability of Threshold Exemption.....	171
CHAPTER 19 Job Work.....	173
General Provisions Related to Job Worker.....	173
Frequently Asked Questions (FAQs).....	174
CHAPTER 20 Anti-Profiteering Measure.....	176
Introduction.....	176
Anti-Profiteering in Malaysia.....	176
History of Anti-Profiteering in India.....	177
Section 171 – Anti-Profiteering Measure.....	177
Why Anti Profiteering Measure?.....	178
How is the government going to control prices with anti-profiteering clause?.....	178
Conclusion.....	179
CHAPTER 21 Audit.....	180
Need for Audit.....	180
Definition of Audit.....	180
Section 65 – Audit by Tax Authorities.....	181

Section 66 – Special Audit.....	182
FAQs (Frequently Asked Questions).....	182
CHAPTER 22 Assessment	184
Reasons of Assessment.....	184
FAQs (Frequently Asked Questions).....	185
CHAPTER 23 Demand & Recovery	187
Reasons of issuance of Show Cause Notices (SCNs) i.e. Demand.....	187
Tabular Presentation of Demand.....	188
Modes of Recovery of Tax by officer.....	189
Frequently Asked Questions (FAQs).....	190
CHAPTER 24 Inspection, Search, Seizure & Arrest	191
Briefing some Important Definitions.....	191
Frequently Asked Questions (FAQs).....	195
FAQ'S Relating to Arrest.....	197
FAQ'S Relating to Summons.....	198
CHAPTER 25 Offences and Penalties.....	200
The Offences and Penalties as per section 122 under CGST Act.....	200
General Disciplines Related to Penalty.....	203
Provisions Relating to Confiscation.....	204
CHAPTER 26 Appeal	206
Binding Effect Of Decision Of Appellate Authorities.....	207
CHAPTER 27 Advance Ruling	209
Need for Advance Ruling	209
Questions on which Advance Ruling can be sought.....	209
Procedure for obtaining Advance Ruling (Sec 97 & 98)	210
Circumstances under which application is compulsory rejected.....	210
Provisions for appeals against order of AAR.....	210
Frequently Asked Questions (FAQs).....	211
CHAPTER 28 Settlement Commission.....	213
Objectives of Settlement Commission.....	213
Power and Benefits of Settlement Commission	213
CHAPTER 29 Overview of IGST	214
Salient features of the draft IGST Law.....	215

Payment of IGST	215
Settlement between Centre, exporting state and importing state	216
Illustration-1 ITC (within the State).....	217
Illustration-2 (b/w different states).....	217
Illustration-3 ITC (b/w different States)	218
Illustration-4 (b/w different States)	218
Scheme of Law	219
Input Tax Credit.....	220
CHAPTER 30 Transitional Provisions.....	222
CHAPTER 31 GST Practitioner.....	238
Introduction.....	238
Procedure to get registered as Goods and Service Tax Practitioner (Rule 24 & 25).....	239
CHAPTER 32 GST Acts 2017.....	243
The Central Goods and Services Tax Act, 2017	
Chapter I	
Preliminary	
1. Short title, extent and commencement	244
2. Definitions.....	244
Chapter II	
Administration	
3. Officers under this Act.....	257
4. Appointment of officers	258
5. Powers of officers	258
6. Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances.....	259
Chapter III	
Levy and collection of tax	
7. Scope of supply	259
8. Tax liability on composite and mixed supplies	260
9. Levy and collection.....	260
10. Composition levy	261
11. Power to grant exemption from tax.....	263

CHAPTER IV
Time and value of supply

12. Time of supply of goods	263
13. Time of supply of services.....	265
14. Change in rate of tax in respect of supply of goods or services	266
15. Value of taxable supply.....	267

CHAPTER V
Input tax credit

16. Eligibility and conditions for taking input tax credit	269
17. Apportionment of credit and blocked credits	270
18. Availability of credit in special circumstances	273
19. Taking input tax credit in respect of inputs and capital goods sent for job work.....	274
20. Manner of distribution of credit by Input Service Distributor.....	275
21. Manner of recovery of credit distributed in excess.....	277

Chapter VI
Registration

22. Persons liable for registration.....	277
23. Persons not liable for registration.....	278
24. Compulsory registration in certain cases.....	278
25. Procedure for registration	279
26. Deemed registration.....	280
27. Special provisions relating to casual taxable person and non-resident taxable person.....	281
28. Amendment of registration	281
29. Cancellation of registration	282
30. Revocation of cancellation of registration.....	283

Chapter VII
Tax invoice, credit and debit notes

31. Tax invoice	284
32. Prohibition of unauthorised collection of tax.....	286
33. Amount of tax to be indicated in tax invoice and other documents.....	286
34. Credit and debit notes.....	286

Chapter VIII
Accounts and records

35. Accounts and other records 287
36. Period of retention of accounts..... 288

Chapter IX
Returns

37. Furnishing details of outward supplies..... 289
38. Furnishing details of inward supplies..... 290
39. Furnishing of returns 291
40. First return 293
41. Claim of input tax credit and provisional acceptance thereof..... 293
42. Matching, reversal and reclaim of input tax credit..... 293
43. Matching, reversal and reclaim of reduction in output tax liability..... 295
44. Annual return 296
45. Final return..... 296
46. Notice to return defaulters 297
47. Levy of late fee..... 297
48. Goods and services tax practitioners 297

Chapter X
Payment of tax

49. Payment of tax, interest, penalty and other amounts 297
50. Interest on delayed payment of tax..... 299
51. Tax deduction at source 300
52. Collection of tax at source 301
53. Transfer of input tax credit..... 303

Chapter XI
Refunds

54. Refund of tax..... 304
55. Refund in certain cases..... 308
56. Interest on delayed refunds..... 308
57. Consumer Welfare Fund 309
58. Utilisation of Fund 309

Chapter XII
Assessment

59. Self-assessment	309
60. Provisional assessment.....	310
61. Scrutiny of returns.....	310
62. Assessment of non-filers of returns.....	311
63. Assessment of unregistered persons.	311
64. Summary assessment in certain special cases.....	312

Chapter XIII
Audit

65. Audit by tax authorities.....	312
66. Special audit.....	313

Chapter XIV
Inspection, search, seizure and arrest

67. Power of inspection, search and seizure.....	314
68. Inspection of goods in movement.....	316
69. Power to arrest.	317
70. Power to summon persons to give evidence and produce documents.....	317
71. Access to business premises	317
72. Officers to assist proper officers.	318

Chapter XV
Demands and recovery

73. 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.....	318
74. Determination of tax not paid or 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.....	320
75. General provisions relating to determination of tax.	322
76. Tax collected but not paid to Government	323
77. Tax wrongfully collected and paid to Central Government or State Government.	324
78. Initiation of recovery proceedings.	325

79. Recovery of tax.....	325
80. Payment of tax and other amount in instalments.....	328
81. Transfer of property to be void in certain cases.....	328
82. Tax to be first charge on property	328
83. Provisional attachment to protect revenue in certain case	328
84. Continuation and validation of certain recovery proceedings.....	329

Chapter XVI

Liability to pay in certain cases

85. Liability in case of transfer of business.....	330
86. Liability of agent and principal.....	330
87. Liability in case of amalgamation or merger of companies.....	330
88. Liability in case of company in liquidation.....	331
89. Liability of directors of private company.....	331
90. Liability of partners of firm to pay tax.....	332
91. Liability of guardians, trustees, etc	332
92. Liability of Court of Wards, etc.....	332
93. Special provisions regarding liability to pay tax, interest or penalty in certain cases.....	333
94. Liability in other cases.....	334

Chapter XVII

Advance ruling

95. Definitions.....	335
96. Authority for advance ruling.....	335
97. Application for advance ruling.....	335
98. Procedure on receipt of application	336
99. Appellate Authority for Advance Ruling.	337
100. Appeal to Appellate Authority.....	337
101. Orders of Appellate Authority.	337
102. Rectification of advance ruling.....	338
103. Applicability of advance ruling.	338
104. Advance ruling to be void in certain circumstances	338
105. Powers of Authority and Appellate Authority.....	339
106. Procedure of Authority and Appellate Authority.....	339

Chapter XVIII
Appeals and revision

107. Appeals to Appellate Authority.....	339
108. Procedure of Authority and Appellate Authority.....	342
109. Constitution of Appellate Tribunal and Benches thereof.	343
110. President and Members of Appellate Tribunal, their qualification, appointment, conditions of service, etc	345
111. Procedure before Appellate Tribunal.....	349
112. Appeals to Appellate Tribunal.....	350
113. Orders of Appellate Tribunal	351
114. Financial and administrative powers of President.....	352
115. Interest on refund of amount paid for admission of appeal.....	353
116. Appearance by authorised representative.....	353
117. Appeal to High Court.....	354
118. Appeal to Supreme Court.	355
119. Sums due to be paid notwithstanding appeal, etc.....	356
120. Appeal not to be filed in certain cases	356
121. Non-appealable decisions and orders	357

CHAPTER XIX
Offences and penalties

122. Penalty for certain offences.....	357
123. Penalty for failure to furnish information return.....	359
124. Fine for failure to furnish statistics.....	360
125. General penalty.....	360
126. General disciplines related to penalty.....	360
127. Power to impose penalty in certain cases.....	361
128. Power to waive penalty or fee or both.....	361
129. Detention, seizure and release of goods and conveyances in transit	361
130. Confiscation of goods or conveyances and levy of penalty	362
131. Confiscation or penalty not to interfere with other punishments.....	364
132. Punishment for certain offences	364
133. Liability of officers and certain other persons.....	366
134. Cognizance of offences.....	367

135. Presumption of culpable mental state	367
136. Relevancy of statements under certain circumstances	367
137. Offences by companies	367
138. Compounding of offences	368

CHAPTER XX

Transitional provisions

139. Migration of existing taxpayers	369
140. Transitional arrangements for input tax credit	372
141. Transitional provisions relating to job work.	374
142. Miscellaneous transitional provisions	376

Chapter XXI

Miscellaneous

143. Job work procedure.	380
144. Presumption as to documents in certain cases.....	382
145. Admissibility of micro films, facsimile copies of documents and computer printouts as documents and as evidence	382
146. Common Portal.....	383
147. Deemed Exports	383
148. Special procedure for certain processes	383
149. Goods and services tax compliance rating	384
150. Obligation to furnish information return	384
151. Power to collect statistics.....	386
152. Bar on disclosure of information	386
153. Taking assistance from an expert	386
154. Power to take samples.....	387
155. Burden of proof.....	387
156. Persons deemed to be public servants	387
157. Protection of action taken under this Act.....	387
158. Disclosure of information by a public servant.	387
159. Publication of information in respect of persons in certain cases	389
160. Assessment proceedings, etc., not to be invalid on certain grounds	389
161. Rectification of errors apparent on the face of record.....	390
162. Bar on jurisdiction of civil courts.....	390

163. Levy of fee.....	390
164. Power of Government to make rules.....	390
165. Power to make regulations.....	391
166. Laying of rules, regulations and notifications.....	391
167. Delegation of powers.....	391
168. Power to issue instructions or directions.....	391
169. Service of notice in certain circumstances.....	392
170. Rounding off of tax, etc.....	393
171. Anti-profiteering measure.....	393
172. Removal of difficulties.....	393
173. Amendment of Act 32 of 1994.....	394
174. Repeal and saving.....	394
Schedule-I [Section 7].....	396
Schedule-II [Section 7].....	397
Schedule-III [Section 7].....	400

The Integrated Goods And Services Tax Act, 2017

Chapter I

Preliminary

1. Short title, extent and commencement.....	401
2. Definitions.....	401

Chapter II

Administration

3. Appointment of officers.....	405
4. Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances.....	405

Chapter III

Levy and collection of tax

5. Levy and collection.....	405
6. Power to grant exemption from tax.....	406

Chapter IV

Determination of nature of supply

7. Inter-State supply.....	407
8. Intra-State supply.....	408
9. Supplies in territorial waters.....	409

Chapter V

Place of supply of goods or services or both

- | | |
|--|-----|
| 10. Place of supply of goods other than supply of goods imported into, or exported from India..... | 409 |
| 11. Place of supply of goods imported into, or exported from India..... | 410 |
| 12. Place of supply of services where location of supplier and recipient is in India. | 410 |
| 13. Place of supply of services where location of supplier or location of recipient is outside India. | 414 |
| 14. Special provision for payment of tax by a supplier of online information and database access or retrieval services | 417 |

Chapter VI

Refund of integrated tax to international tourist

- | | |
|--|-----|
| 15. Refund of integrated tax paid on supply of goods to tourist leaving India..... | 418 |
|--|-----|

Chapter VII

Zero rated supply

- | | |
|----------------------------|-----|
| 16. Zero rated supply..... | 418 |
|----------------------------|-----|

Chapter VIII

Apportionment of tax and settlement of funds

- | | |
|--|-----|
| 17. Apportionment of tax and settlement of funds..... | 419 |
| 18. Transfer of input tax credit..... | 421 |
| 19. Tax wrongfully collected and paid to Central Government or State Government..... | 421 |

Chapter IX

Miscellaneous

- | | |
|--|-----|
| 20. Application of provisions of Central Goods and Services Tax Act..... | 422 |
| 21. Import of services made on or after the appointed day..... | 423 |
| 22. Power to make rules..... | 424 |
| 23. Power to make regulations..... | 424 |
| 24. Laying of rules, regulations and notifications | 424 |
| 25. Removal of difficulties | 424 |

The Union Territory Goods And Services Tax Act, 2017

Chapter I
Preliminary

1. Short title, extent and commencement 426
2. Definitions..... 426

Chapter II
Administration

3. Officers under this Act 427
4. Authorisation of officers..... 428
5. Powers of officers. 428
6. Authorisation of officers of central tax as proper officer in certain circumstances..... 428

Chapter III
Levy and collection of tax

7. Levy and collection..... 429
8. Power to grant exemption from tax 430

Chapter IV
Payment of tax

9. Payment of tax..... 431
10. Transfer of input tax credit..... 431

Chapter V
Inspection, search seizure and arrest

11. Officers required to assist proper officers. 431

Chapter VI
Demands and Recovery

12. Tax wrongfully collected and paid to Central Government or Union territory Government..... 432
13. Recovery of tax..... 432

Chapter VII
Advance ruling

14. Definitions..... 432
15. Constitution of Authority for Advance Ruling 433
16. Constitution of Appellate Authority for Advance Ruling 433

Chapter VIII
Transitional provisions

17.	Migration of existing tax payers	434
18.	Transitional arrangements for input tax credit.....	434
19.	Transitional provisions relating to job work.	437
20.	Miscellaneous transitional provisions	439

Chapter IX
Miscellaneous

21.	Application of provisions of Central Goods and Services Tax Act.....	443
22.	Power to make rules.....	445
23.	General power to make regulations.....	445
24.	Laying of rules, regulations and notifications	445
25.	Power to issue instructions or directions	445
26.	Removal of difficulties	446

The Goods And Services Tax (Compensation To States) Act, 2017'

1.	Short title, extent and commencement	447
2.	Definitions.....	447
3.	Projected growth rate	449
4.	Base year.....	449
5.	Base year revenue.....	449
6.	Projected revenue for any year	451
7.	Calculation and release of compensation.....	451
8.	Levy and collection of cess.....	453
9.	Returns, payments and refunds.....	454
10.	Crediting proceeds of cess to Fund	454
11.	Other provisions relating to cess	455
12.	Power to make rules.....	455
13.	Laying of rules before Parliament.....	456
14.	Power to remove difficulties	456
	The Schedule [See section 8 (2)].....	457

CHAPTER 33	The Constitution (One Hundred and First Amendment) Act, 2016	474
-------------------	---	------------

CHAPTER 34	Tweet FAQs	482
-------------------	-------------------------	------------

CHAPTER 35	All Notifications/Circulars	511
-------------------	--	------------

CHAPTER 1

Introduction to Goods & Services Tax (GST)

GST is one indirect tax for the whole nation, which will make India one unified common market. GST is a single tax on the supply of goods and services, right from the manufacturer to the consumer. Credits of input taxes paid at each stage will be available in the subsequent stage of value addition, which makes GST is essentially a tax only on value addition at each stage. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages. GST is a destination based tax on consumption of goods and services meaning thereby the tax would accrue to the taxing authority which has jurisdiction over the place of consumption which is also termed as place of supply.

According to the World Bank (2015), over 160 countries have some form of value added tax (VAT), which is what the GST is. But the ambition of the Indian GST experiment is revealed by a comparison with the other large federal systems—European Union, Canada, Brazil, Indonesia, China and Australia--that have a VAT (the United States does not have a VAT).

As Table 1 highlights, most of them face serious challenges. They are either overly centralized, depriving the sub-federal levels of fiscal autonomy (Australia, Germany, and Austria); or where there is a dual structure, they are either administered independently creating too many differences in tax bases and rates that weaken compliance and make inter-state transactions difficult to tax (Brazil, Russia and Argentina); or administered with a modicum of coordination which minimizes these disadvantages (Canada and India today) but does not do away with them.

Table 1: Comparison of Federal VAT Systems

Nature of VAT	Country Examples	Disadvantages
Independent VATs at Centre and States	Brazil, Russia, Argentina	Differences in base and rates weaken administration and compliance. Inter-state transactions difficult to manage.
VAT levied and administered at Centre	Australia, Germany, Austria, Switzerland, etc	State government relieved of responsibility of raising taxes which also takes away fiscal discretion of States.
Dual VAT	Canada and India today	A combination of the above two and hence limits both their disadvantages.
"Clean" dual VAT	India's GST	Common base and common or similar rates facilitate administration and compliance, including for inter-state transactions, while continuing to provide some fiscal autonomy to States.

Source: World Bank (2015)

Justification of GST

- (i) Despite this success with VAT, there are still certain shortcomings in the structure of VAT both at the Central and at the State level. Presently, the Constitution empowers the Central Government to levy excise duty on manufacturing and service tax on the supply of services. Further, it empowers the State Governments to levy sales tax or value added tax (VAT) on the sale of goods. This exclusive division of fiscal powers has led to a multiplicity of indirect taxes in the country. In addition, central sales tax (CST) is levied on intra-State sale of goods by the Central Government, but collected and retained by the exporting States. Further, many States levy an entry tax on the entry of goods in local areas.
- (ii) This multiplicity of taxes at the State and Central levels has resulted in a complex indirect tax structure in the country that is ridden with hidden costs for the trade and industry. Firstly, there is no uniformity of tax rates and structure across States. Secondly, there is cascading of taxes due to

'tax on tax'. No credit of excise duty and service tax paid at the stage of manufacture is available to the traders while paying the State level sales tax or VAT, and vice-versa. Further, no credit of State taxes paid in one State can be availed in other States. Hence, the prices of goods and services get artificially inflated to the extent of this 'tax on tax'.

- (iii) The introduction of GST would mark a clear departure from the scheme of distribution of fiscal powers envisaged in the Constitution. The proposed dual GST envisages taxation of the same taxable event, i.e., supply of goods and services, simultaneously by both the Centre and the States.
- (iv) GST will simplify and harmonise the indirect tax regime in the country. It is expected to reduce cost of production and inflation in the economy, thereby making the Indian trade and industry more competitive, domestically as well as internationally. It is also expected that introduction of GST will foster a common or seamless Indian market and contribute significantly to the growth of the economy.
- (v) Further, GST will broaden the tax base, and result in better tax compliance due to a robust IT infrastructure. Due to the seamless transfer of input tax credit from one stage to another in the chain of value addition, there is an in-built mechanism in the design of GST that would incentivize tax compliance by traders.

Journey of GST

GST is being introduced in the country after a 13 year long journey since it was first discussed in the report of the Kelkar Task Force on indirect taxes. A brief chronology outlining the major milestones on the proposal for introduction of GST in India is as follows:

- a. In 2003, the Kelkar Task Force on indirect tax had suggested a comprehensive Goods and Services Tax (GST) based on VAT principle.
- b. A proposal to introduce a National level Goods and Services Tax (GST) by April 1, 2010 was first mooted in the Budget Speech for the financial year 2006-07.
- c. Since the proposal involved reform/ restructuring of not only indirect taxes levied by the Centre but also the States, the responsibility of preparing a Design and Road Map for the implementation of GST was assigned to the Empowered Committee of State Finance Ministers (EC).
- d. Based on inputs from Govt of India and States, the EC released its First Discussion Paper on Goods and Services Tax in India in November, 2009.

- e. In order to take the GST related work further, a Joint Working Group consisting of officers from Central as well as State Government was constituted in September, 2009.
- f. In order to amend the Constitution to enable introduction of GST, the Constitution (115th Amendment) Bill was introduced in the Lok Sabha in March 2011. As per the prescribed procedure, the Bill was referred to the Standing Committee on Finance of the Parliament for examination and report.
- g. Meanwhile, in pursuance of the decision taken in a meeting between the Union Finance Minister and the Empowered Committee of State Finance Ministers on 8th November, 2012, a 'Committee on GST Design', consisting of the officials of the Government of India, State Governments and the Empowered Committee was constituted.
- h. This Committee did a detailed discussion on GST design including the Constitution (115th) Amendment Bill and submitted its report in January, 2013. Based on this Report, the EC recommended certain changes in the Constitution Amendment Bill in their meeting at Bhubaneswar in January 2013.
- i. The Empowered Committee in the Bhubaneswar meeting also decided to constitute three committees of officers to discuss and report on various aspects of GST as follows:-
 - (a) Committee on Place of Supply Rules and Revenue Neutral Rates;
 - (b) Committee on dual control, threshold and exemptions;
 - (c) Committee on IGST and GST on imports.
- j. The Parliamentary Standing Committee submitted its Report in August, 2013 to the Lok Sabha. The recommendations of the Empowered Committee and the recommendations of the Parliamentary Standing Committee were examined in the Ministry in consultation with the Legislative Department. Most of the recommendations made by the Empowered Committee and the Parliamentary Standing Committee were accepted and the draft Amendment Bill was suitably revised.
- k. The final draft Constitutional Amendment Bill incorporating the above stated changes were sent to the Empowered Committee for consideration in September 2013.

- l. The EC once again made certain recommendations on the Bill after its meeting in Shillong in November 2013. Certain recommendations of the Empowered Committee were incorporated in the draft Constitution (115th Amendment) Bill. The revised draft was sent for consideration of the Empowered Committee in March, 2014.
- m. The 115th Constitutional (Amendment) Bill, 2011, for the introduction of GST introduced in the Lok Sabha in March 2011 lapsed with the dissolution of the 15th Lok Sabha.
- n. In June 2014, the draft Constitution Amendment Bill was sent to the Empowered Committee after approval of the new Government.
- o. Based on a broad consensus reached with the Empowered Committee on the contours of the Bill, the Cabinet on 17.12.2014 approved the proposal for introduction of a Bill in the Parliament for amending the Constitution of India to facilitate the introduction of Goods and Services Tax (GST) in the country. The Bill was introduced in the Lok Sabha on 19.12.2014, and was passed by the Lok Sabha on 06.05.2015. It was then referred to the Select Committee of Rajya Sabha, which submitted its report on 22.07.2015.
- p. The Constitutional amendment bill was then passed from Rajya Sabha on 8th August'2016 and notified from 15th Sept' 2016.
- q. The Draft Model GST Law was introduced in June 2016 which was further revised in November 2016. This revised draft law became GST Act when it was introduced in Lok Sabha with slight modifications and got assented by president on 12th April, 2017.
- r. Four Acts got passed viz:- Central GST Act' 2017, Integrated GST Act' 2017, Union Territory GST Act' 2017 and Compensation to States Act' 2017.
- s. Through this long journey, the Government implemented GST w.e.f. 01st July' 2017. Almost 35 Acts Passed, 90 notifications, 19 Rules notified and 3 Circulars issued.

Concept of Dual GST – An Indian GST Model

The Indian GST model would be a dual GST with the Centre and States simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services would be called the Central GST (CGST) and that to be levied by the States would be called the State GST (SGST). Similarly Integrated GST (IGST) will be levied and administered by Centre on every inter-state supply of goods and services.

Basically, there were three models available for adoption. First, the **Single (Central) GST model**, where the Centre levies and collects the GST for both Centre and the States, and then distributes the share of the individual States in accordance with its consumption pattern determined on the basis of prior survey. It may be recalled that GST is a destination based consumption tax. This is prevalent in Australia, New Zealand, Germany etc.

The second option is to adopt the **Single (State) GST model**, where the situation is reverse of that in the Single (Central) GST model. Here, the individual States collect GST for both Centre and their respective States, and then pass on the Centre's share to the Centre. Very few countries have adopted this model. A form of States GST is being implemented at the Quebec province of Canada.

The third option is the Dual GST model where both Centre and the States levy and collect their share of GST concurrently and simultaneously in their separate streams of **Central GST (CGST)** and **States GST (SGST)**. The GST with respect to interstate movement of goods and services is the most critical part of this model. After considering twelve models for this purpose, it has been decided to adopt the **Integrated GST (IGST) model**. In the IGST models, the IGST comprising CGST and SGST will be levied and collected by the Centre. The Centre will retain the CGST share and despatch the SGST shares to the respective destination States. The entire mechanism will be computerised.

Because of the absence of complications involved in determining the GST share of the destination States with respect to interstate movement of Goods and Services, the Central GST model would have been the easiest option. But given the federal structure of our Constitution and fiscal autonomy for the States enshrined in it, India could not have opted for this model. On the other hand, the Indian constitution gives supremacy to Centre over the States in three important areas i.e. Defence, External Affairs and Finance. Therefore, the Centre cannot be made to outsource the collection of centre's portion of GST to the States. **Thus, the best option for India was to adopt the Dual GST model.**

Why is Dual GST required?

India is a federal country where both the Centre and the States have been assigned the powers to levy and collect taxes through appropriate legislation. Both the levels of Government have distinct responsibilities to perform according to the division of powers prescribed in the Constitution for which they need to raise resources. A dual GST will, therefore, be in keeping with the Constitutional requirement of fiscal federalism.

How a particular transaction of goods and services would be taxed simultaneously under Central GST (CGST) and State GST (SGST)?

The Central GST and the State GST would be levied simultaneously on every transaction of supply of goods and services except the exempted goods and services, goods which are outside the purview of GST and the transactions which are below the prescribed threshold limits. Further, both would be levied on the same price or value unlike State VAT which is levied on the value of the goods inclusive of CENVAT. While the location of the supplier and the recipient within the country is immaterial for the purpose of CGST, SGST would be chargeable only when the supplier and the recipient are both located within the State.

Illustration I: Suppose hypothetically that the rate of CGST is 10% and that of SGST is 10%. When a wholesale dealer of steel in Uttar Pradesh supplies steel bars and rods to a construction company which is also located within the same State for, say Rs. 100, the dealer would charge CGST of Rs. 10 and SGST of Rs. 10 in addition to the basic price of the goods. He would be required to deposit the CGST component into a Central Government account while the SGST portion into the account of the concerned State Government. Of course, he need not actually pay Rs. 20 (Rs. 10 + Rs. 10) in cash as he would be entitled to set-off this liability against the CGST or SGST paid on his purchases (say, inputs). But for paying CGST he would be allowed to use only the credit of CGST paid on his purchases while for SGST he can utilize the credit of SGST alone. In other words, CGST credit cannot, in general, be used for payment of SGST. Nor can SGST credit be used for payment of CGST.

Illustration II: Suppose, again hypothetically, that the rate of CGST is 10% and that of SGST is 10%. When an advertising company located in Mumbai supplies advertising services to a company manufacturing soap also located within the State of Maharashtra for, let us say Rs. 100, the ad company would charge CGST of Rs. 10 as well as SGST of Rs. 10 to the basic value of the service. He would be required to deposit the CGST component into a Central Government account while the SGST portion into the account of the concerned State Government. Of course, he need not again actually pay Rs. 20 (Rs. 104-Rs. 10) in cash as it would be entitled to set-off this liability against the CGST or SGST paid on his purchase (say, of inputs such as stationery, office equipment, services of an artist etc). But for paying CGST he would be allowed to use only the credit of CGST paid on its purchase while for SGST he can utilise the credit of SGST alone. In other words, CGST credit cannot, in general, be used for payment of SGST. Nor can SGST credit be used for payment of CGST.

How does GST works?

GST is a tax on goods and services with comprehensive and continuous chain of set-off benefits from the producer's point and service provider's point upto the

retailer's level. It is essentially a tax only on value addition at each stage, and a supplier at each stage is permitted to set-off, through a tax credit mechanism, the GST paid on the purchase of goods and services as available for set-off on the GST to be paid on the supply of goods and services. The final consumer will thus bear only the GST charged by the last dealer in the supply chain, with set-off benefits at all the previous stages.

The illustration shown below indicates, in terms of a hypothetical example with a manufacturer, one wholeseller and one retailer, how GST will work. Let us suppose that GST rate is 10%, with the manufacturer making value addition of Rs.30 on his purchases worth Rs.100 of input of goods and services used in the manufacturing process. The manufacturer will then pay net GST of Rs. 3 after setting-off Rs. 10 as GST paid on his inputs (i.e. Input Tax Credit) from gross GST of Rs. 13. The manufacturer sells the goods to the wholeseller. When the wholeseller sells the same goods after making value addition of (say), Rs. 20, he pays net GST of only Rs. 2, after setting-off of Input Tax Credit of Rs. 13 from the gross GST of Rs. 15 to the manufacturer. Similarly, when a retailer sells the same goods after a value addition of (say) Rs. 10, he pays net GST of only Re.1, after setting-off Rs.15 from his gross GST of Rs. 16 paid to wholeseller. Thus, the manufacturer, wholeseller and retailer have to pay only Rs. 6 (= Rs. 3+Rs. 2+Re. 1) as GST on the value addition along the entire value chain from the producer to the retailer, after setting-off GST paid at the earlier stages. The overall burden of GST on the goods is thus much less. This is shown in the table below. The same illustration will hold in case of final S. provider as well.

Stage of Supply Chain	Purchase Value Of Input	Value Addition	Value at Which Supply Goods and Services Made to Next Stage	Rate of GST	GST on Output	Input Tax Credit	Net GST=GST on output- Input Tax Credit
Manufacturer	100	30	130	10%	13	10	$13-10 = 3$
Whole Seller	130	20	150	10%	15	13	$15-13 = 2$
Retailer	150	10	160	10%	16	15	$16-15 = 1$

Benefits of Proposed GST

To understand the expected benefits of ‘Goods and Service Tax’ the assurance of Government of India as stated by Finance Minister Shri Pranab Mukherjee in his speech before the National Development Council on 22nd July 2010 is worth considering-

*“GST would provide a level playing field to domestic producers and has a potential of providing inbuilt stimulus to the economy by removing tax distortions and tax competitions. It has been estimated by **National Council of Applied Economic Research**, New Delhi that implementation of well designed GST will see an increase of 2–2.5% in India’s GDP. Exports could increase by well over 10%. The expected net present value of GST gain exceeds half a trillion dollars. The gain from GST will propel India from one trillion dollar economy to two trillion dollar economy in a short span of time. Therefore, the successful implementation of GST would create win-win-win situations for Centre-State, Industry and Consumers.*

To have inclusive growth and to address the core concern of the segments of the population, who are at the bottom of the pyramid, we need to have a transparent and stable taxation regime to generate revenue for our social expenditure”.

It is said that

“Besides simplifying the indirect tax structure, GST would also help to create ‘One India’ by eliminating geographical fragmentation. It will remove the current cascading of taxes by ensuring the seamless flow of input credit across the value chain of both goods and services,”

The benefits of GST can be summarized as under:

Category	Benefits
For Business and Industry	<ul style="list-style-type: none"> <li data-bbox="382 1171 1100 1390">o <u>Easy compliance</u>: A robust and comprehensive IT system would be the foundation of the GST regime in India. Therefore, all tax payer services such as registrations, returns, payments, etc. would be available to the taxpayers online, which would make compliance easy and transparent. <li data-bbox="382 1400 1100 1577">o <u>Uniformity of tax rates and structures</u>: GST will ensure that indirect tax rates and structures are common across the country, thereby increasing certainty and ease of doing business. In other words, GST would make doing business in the

Category	Benefits
	<p>country tax neutral, irrespective of the choice of place of doing business.</p> <ul style="list-style-type: none"> <li data-bbox="382 271 1101 455">o <u>Removal of cascading</u>: A system of seamless tax-credits throughout the value-chain, and across boundaries of States, would ensure that there is minimal cascading of taxes. This would reduce hidden costs of doing business. <li data-bbox="382 460 1101 601">o <u>Improved competitiveness</u>: Reduction in transaction costs of doing business would eventually lead to an improved competitiveness for the trade and industry. <li data-bbox="382 606 1101 1007">o <u>Gain to manufacturers and exporters</u>: The subsuming of major Central and State taxes in GST, complete and comprehensive set-off of input goods and services and phasing out of Central Sales Tax (CST) would reduce the cost of locally manufactured goods and services. This will increase the competitiveness of Indian goods and services in the international market and give boost to Indian exports. The uniformity in tax rates and procedures across the country will also go a long way in reducing the compliance cost.
<p>For Central and State Governments</p>	<ul style="list-style-type: none"> <li data-bbox="382 1030 1101 1241">o <u>Simple and easy to administer</u>: Multiple indirect taxes at the Central and State levels are being replaced by GST. Backed with a robust end-to-end IT system, GST would be simpler and easier to administer than all other indirect taxes of the Centre and State levied so far. <li data-bbox="382 1247 1101 1471">o <u>Better controls on leakage</u>: GST will result in better tax compliance due to a robust IT infrastructure. Due to the seamless transfer of input tax credit from one stage to another in the chain of value addition, there is an in-built mechanism in the design of GST that would incentivize tax compliance by traders. <li data-bbox="382 1476 1101 1614">o <u>Higher revenue efficiency</u>: GST is expected to decrease the cost of collection of tax revenues of the Government, and will therefore, lead to higher revenue efficiency.

Category	Benefits
For the consumer	<ul style="list-style-type: none"> <li data-bbox="382 195 1100 560">o <u>Single and transparent tax proportionate to the value of goods and services:</u> Due to multiple indirect taxes being levied by the Centre and State, with incomplete or no input tax credits available at progressive stages of value addition, the cost of most goods and services in the country today are laden with many hidden taxes. Under GST, there would be only one tax from the manufacturer to the consumer, leading to transparency of taxes paid to the final consumer. <li data-bbox="382 571 1100 707">o <u>Relief in overall tax burden:</u> Because of efficiency gains and prevention of leakages, the overall tax burden on most commodities will come down, which will benefit consumers.

Salient features of the Indian GST model

- (i) The GST shall have three components: one levied by the Centre on Intrastate transactions (hereinafter referred to as CGST) and States on Intrastate transactions (hereinafter referred to as SGST) and other to be levied by Centre on Interstate transactions (hereinafter referred to as IGST). Rates for GST would be in between 18 to 22%, reflecting revenue considerations and acceptability. This dual GST model would be implemented through multiple statutes (one for CGST, one for IGST and SGST statute for every State and Union Territory with legislation). However, the basic features of law such as chargeability, definition of taxable event and taxable person, measure of levy including valuation provisions, basis of classification etc. would be uniform across these statutes as far as practicable.
- (ii) The CGST, SGST or IGST would be applicable to all transactions of goods and services made for a consideration or non-consideration as specified by law except the exempted goods and services, goods which are outside the purview of GST and the transactions which are below the prescribed threshold limits.
- (iii) The Central GST and State GST are to be paid to the accounts of the Centre and the States separately. It would have to be ensured that account-heads for all services and goods would have indication whether it relates to Central GST or State GST (with identification of the State to whom the tax is to be credited).

- (iv) Since the CGST and SGST are to be treated separately, Input Tax Credit for CGST could be utilized only against the payment of CGST and/or IGST. Input Tax Credit for SGST could be utilized only against the payment of SGST and/or IGST whereas Input Tax Credit for IGST could be utilized against the payment of IGST and/or CGST and/or SGST. A taxpayer or exporter would have to maintain separate details in books of account for utilization or refund of credit. Further, the rules for taking and utilization of credit for the Central GST and the State GST would be aligned.
- (v) Cross utilization of ITC between the Central GST and the State GST would not be allowed.
- (vi) Ideally, the problem related to credit accumulation on account of refund of GST should be avoided by both the Centre and the States except in the cases such as exports, purchase of capital goods, input tax at higher rate than output tax etc. where, again refund/adjustment should be completed in a time bound manner.
- (vii) To the extent feasible, uniform procedure for collection of both Central GST and State GST would be prescribed in the respective legislation for Central GST and State GST.
- (viii) The administration of the CGST and IGST to the Centre and for State GST to the States would be given. This would imply that the Centre and the States would have concurrent jurisdiction for the entire value chain and for all taxpayers on the basis of thresholds for goods and services prescribed for the States and the Centre.
- (ix) The present threshold prescribed in different State VAT Acts below which VAT is not applicable varies from State to State. A uniform State GST threshold across States is desirable and, therefore, it is considered that a threshold of gross annual turnover of Rs.20 lakh both for goods and services for all the States (Excluding North-Eastern Region and Special Category States wherein the threshold of Rs. 10 lakh is prescribed as per the meeting of GST Council dated 23rd Sept'2016). Keeping in view the interest of small traders and small scale industries and to avoid dual control, assesseees with a turnover of less than Rs 1.5 crore annually will be assessed by state tax authorities and those above that through the new cross-empowerment model. Under this model, tax administrators will use a formula to decide which assesseees they will audit or register.
- (x) The States are also of the view that Composition/ Compounding Scheme for the purpose of GST should have an upper ceiling on gross annual turnover and a floor tax rate with respect to gross annual turnover. In particular, there

would be a compounding cut-off at Rs. 50 lakh of gross annual turnover and a floor rate of 1% or above across the States. The scheme would also allow option for GST registration for dealers with turnover below the compounding cut-off.

- (xi) The taxpayer would need to submit periodical returns, in common format as far as possible, to both the Central GST authority and to the concerned State GST authorities.
- (xii) Each taxpayer would be allotted a PAN-linked taxpayer identification number. This would bring the GST PAN-linked system in line with the prevailing PAN-based system for Income tax, facilitating data exchange and taxpayer compliance.
- (xiii) Keeping in mind the need of tax payer's convenience, functions such as assessment, enforcement, scrutiny and audit would be undertaken by the authority which is collecting the tax, with information sharing between the Centre and the States.

GST Rate

It is said that the GST rate will be fixed on the basis of RNR i.e. Revenue Neutral Rate. In that case, the issue arise that **how will there be growth in revenue and growth in GDP after introduction of GST?**

In this regard it is mentioned that whenever a new Tax regime is introduced, it is so planned that the new effective tax rate is more or less same as that of the previous regime - so that the new tax regime is revenue neutral. Hence is the need for finding the RNR. More often than not however, the total revenue collection under the new tax regime turns out to be more than in the old tax regime for various reasons including administrative efficiency, enhanced tax base, structural reforms etc. That's the reason why it is expected that there will be growth in revenue in the GST regime.

As for the growth in terms of GDP, the introduction of GST will entail much less effective duty that a taxpayer would pay compared to what he is paying now on account of Central Excise, Service Tax, and State VAT etc, all taken together. Besides, the reduction of multiplicity of tax and multiple points of collection will reduce the transaction cost and make 'doing business' much easier. Consequently, a taxpayers would have more money in his hands for further investment in infrastructure, industry etc. This will lead to more employment. All these factors would lead to growth in industry and business. Consequently, there is bound to be growth in GDP after introduction of GST.

The GST Council shall make recommendations to the Union and States on the rates of GST.

As per the recommendations of the GST Council, 6 set of rates has been approved. These are 0%, 5%, 12%, 18%, 28% & 28% + Cess. As per the revised Model GST law introduced in Nov' 2016, the rates of GST cannot exceed 28%. However, as per the GST Act' 2017, the maximum rate on luxury goods can be 40%.

The GST Council, headed by finance minister Arun Jaitley and comprising representatives of all states, has agreed to keep the upper band of the rate in the law at 20%. "However, for the moment, the above introduced rates will not be changed.

The GST Council has decided to keep the upper cap higher at 20% so that in future in case of need to hike tax rate, there is no need to approach Parliament for a nod and the GST Council can raise it. This means the central GST and state GST can be up to 20% each, leaving the scope for a maximum levy at 40 per cent. The officials said *"The 4-tier rate structure that has been decided will hold for now. By keeping the upper cap at 20%, we are just keeping an enabling provision which the Council can exercise at a later date after deliberation"*.

Revenue Secretary Hasmukh Adhia assured that tax rates under GST would not see any major fluctuation.

"The fundamental principle is that the present incidence will continue. Nobody needs to worry that their tax rate will go up too much or hope that their tax rate will go down too much. There is no need for anxiety. The standard tax rate for services will be 18 per cent under GST. The only exceptions will be those services such as transportation that currently enjoy abatement. The abatement will not remain. But the services will be fitted in the tax slab under GST based on the present incidence post abatement."

The Government finally implemented GST w.e.f. 01st July' 2017. Almost 35 Acts Passed, 90 notifications, 19 Rules notified and 3 Circulars issued. Refer notifications at the end for GST rates on Goods and Services.

Taxes to be subsumed under GST

The GST would replace the following taxes:

(A) Taxes currently levied and collected by the Centre:

- (a) Central Excise duty
- (b) Duties of Excise (Medicinal and Toilet Preparations)
- (c) Additional Duties of Excise (Goods of Special Importance)
- (d) Additional Duties of Excise (Textiles and Textile Products)

- (e) Additional Duties of Customs (commonly known as CVD)
- (f) Special Additional Duty of Customs (SAD)
- (g) Service Tax
- (h) Central Surcharges and Cesses so far as they relate to supply of goods and services

(B) Taxes currently levied and collected by the State:

- (a) State VAT
- (b) Central Sales Tax
- (c) Luxury Tax
- (d) Entry Tax (all forms)
- (e) Entertainment and Amusement Tax (except when levied by the local bodies)
- (f) Taxes on advertisements
- (g) Purchase Tax
- (h) Taxes on lotteries, betting and gambling
- (i) State Surcharges and Cesses so far as they relate to supply of goods and services

The GST Council shall make recommendations to the Union and States on the taxes, cesses and surcharges levied by the Centre, the States and the local bodies which may be subsumed in the GST.

Goods and Services Tax Network (GSTN)

About GSTN

For the implementation of GST in the country, the Central and State Governments have jointly registered Goods and Services Tax Network (GSTN) as a not-for-profit, non-Government Company to provide shared IT infrastructure and services to Central and State Governments, tax payers and other stakeholders. The key objectives of GSTN are to provide a standard and uniform interface to the taxpayers, and shared infrastructure and services to Central and State/UT governments.

GSTN is working on developing a state-of-the-art comprehensive IT infrastructure including the common GST portal providing frontend services of registration, returns and payments to all taxpayers, as well as the backend IT modules for certain States that include processing of returns, registrations, audits, assessments, appeals, etc. All States, accounting authorities, RBI and banks, are also preparing their IT infrastructure for the administration of GST.

There would no manual filing of returns. All taxes can also be paid online. All mis-matched returns would be auto-generated, and there would be no need for manual interventions. Most returns would be self-assessed.

Goods and Services Tax Network (GSTN) is a Section 25 (not for profit), non-Government, private limited company. It was incorporated on March 28, 2013. The Government of India holds 24.5% equity in GSTN and all States of the Indian Union, including NCT of Delhi and Puducherry, and the Empowered Committee of State Finance Ministers (EC), together hold another 24.5%. Balance 51% equity is with non-Government financial institutions. The Company has been set up primarily to provide IT infrastructure and services to the Central and State Governments, tax payers and other stakeholders for implementation of the Goods and Services Tax (GST).

The Authorised Capital of the company is Rs. 10,00,00,000 (Rupees ten crore only).

Constitution and Shareholding Pattern of the Company

GSTN SPV was incorporated on March 28, 2013 as a Non-Government, not for Profit (Section 25), private limited company registered under the Companies Act, 1956. The Authorised Share Capital of the company is INR 10,00,00,000 (Rupees ten Crore only) with 49% equity of the company held by the Government (24.5% Central Government and 24.5% all State Governments/UTs put together) and 51% equity is held by private financial institutions namely ICICI Bank, HDFC Bank, HDFC Ltd, LIC Housing Finance and National Stock Exchange Strategic Investment Corporation Ltd. The strategic control over GSTN is with the Government given the sensitivity of the role of GSTN and the information that would be available with it. The strategic control of the Government over GSTN is ensured through measures such as composition of the Board, mechanism of Special Resolution and Shareholders Agreement, induction of Government officers on the deputation and agreements between GSTN and Governments.

Funding Pattern and Revenue Model

GSTN has been initially funded through a one-time non-recurring Grant in-aid of Rs. 315 crores from the Central Government towards expenditure for the initial setting up and functioning of the SPV for a three year period after incorporation. After rolling out of GST, the Revenue Model of GSTN shall consist of User Charge to be paid by stakeholders who will use the system and thus it will be a self-sustaining organization.

Board of Directors

The Board of Directors of GSTN SPV comprises of 14 directors with 3 Directors from the Centre, 3 from the States, a Chairman of the Board of Directors appointed

through a joint approval mechanism of Centre and States, 3 Directors from the private equity stakeholders, 3 independent Directors who are persons of eminence and the CEO of GSTN selected through an open selection process.

Initial Operations

GSTN initially started its operations from The Janpath Hotel with a small team of 4-5 employees. However, after recruitment of employees both from the open market as well as deputationists, the size of the team and operations have grown substantially and, therefore, the company shifted its office to a modern, more equipped and spacious premises at Aerocity, New Delhi in December 2015. The registered office of GSTN has since been changed to 4th Floor, East Wing, Worldmark-1, Aerocity, New Delhi-110037.

Organisation Structure

Today GSTN has a team of 46 full time employees including 37 from the Private Sector and 9 deputationists from the Government. The Organisation Structure of the Company broadly consists of 3 verticals, viz. Technology, Services and Support each headed by an Executive Vice President (EVP) reporting to the CEO. The Technology team is to be entirely sourced from the Private Sector, Services Team from deputationists consisting of Tax Officials from the Central and State Governments and the Support team is a mix from both Private Sector as well deputationists.

Mandate of GSTN

The GSTN has been mandated to provide the following additional services to the various stakeholders:

- Provide common and shared IT infrastructure and services to the Central and State Governments, Tax Payers and other stakeholders.
- Partner with other agencies for creating an efficient and user-friendly GST Eco-system.
- Encourage and collaborate with GST Suvidha Providers (GSPs) to roll out GST Applications for providing simplified services to the stakeholders.
- Carry out research, study best practises and provide Training and Consultancy to the Tax authorities and other stakeholders.
- Provide efficient Backend Services to the Tax Departments of the Central and State Governments on request.
- Develop Tax Payer Profiling Utility (TPU) for Central and State Tax Administration.
- Assist Tax authorities in improving Tax compliance and transparency of Tax Administration system.

- Deliver any other services of relevance to the Central and State Governments and other stakeholders on request.

Major Milestones

- India's second largest IT services Company Infosys through a rigorous competitive bidding process, in which other big IT companies like TCS, Wipro, Tech Mahindra and Microsoft also participated, bagged the contract of Rs 1,380 crore to be the Managed Service Provider (MSP) for GSTN. The MSP shall build the technology infrastructure for Goods and Services Tax known as the GST System Project (GSTSP), a common Portal for the use of different Tax Payers, Tax Administrators and other stakeholders which includes common Registration, Return and Payment services. The MSP will build the system and once it is ready they will operate it for five years. The Contract with Infosys was signed on 6th November 2015.
- The Business Requirement Documents (BRD) for the various modules of the proposed GSTSP and the System Requirement Specifications (SRS) are in the process of finalisation. The Development Teams of MSP will now embark upon development of the System at its Bangalore Development Centre. The training programs for the benefit of various stakeholders will also be launched shortly.

CHAPTER 2

Constitutional Framework of GST

The GST Constitutional (122nd Amendment) Bill' 2014 became the GST Constitutional (101st Amendment) Act' 2016 when the president assented the provisions of bill on 8th Sept' 2016.

GST Constitutional (101st Amendment) Act' 2016 contains the provisions which are necessary for the implementation of GST Regime. The present amendments would subsume a number of indirect taxes presently being levied by Central and State Governments into GST thereby doing away the cascading of taxes and providing a common national market for Goods and Services. The aim to bring about these amendments in the Constitution is to confer simultaneous power on Parliament and State legislatures to make laws for levying GST simultaneously on every transaction of supply and Goods and Services.

The amendment Act contains 20 amendments. As per Sub Section (2) of Section 1, the constitutional amendments are to be enforced with effect from such date as the Central Government may, by notification in the Official Gazette, appoint. The central government, in exercise of this power has appointed the 16th day of September, 2016 as the date on which the provisions of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19 and 20 of the said Constitutional amendment Act, shall come into force. This notification has been issued to carry out the provisions of Constitutional amendments. Prior to this notification, the presidential order dated 15th September 2016, has also confirmed the constitution of GST Council.

Thus, all the amendments of Constitution (One Hundred and First Amendment) Act, 2016 is now active.

Salient Features of GST Constitutional (101st Amendment) Act' 2016

The salient features are as follows:-

- (a) Subsuming of various Central indirect taxes and levies such as Central Excise Duty, Additional Excise Duties, Excise Duty levied under the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, Service Tax, Additional Customs Duty commonly known as Countervailing Duty, Special Additional Duty of Customs, and Central Surcharges and Cesses so far as they relate to the supply of goods and services;
- (b) Subsuming of State Value Added Tax/Sales Tax, Entertainment Tax (other than the tax levied by the local bodies), Central Sales Tax (levied by the Centre and collected by the States), Octroi and Entry tax, Purchase Tax, Luxury tax, Taxes on lottery, betting and gambling; and State cesses and surcharges in so far as they relate to supply of goods and services;
- (c) Dispensing with the concept of 'declared goods of special importance' under the Constitution;
- (d) Levy of Integrated Goods and Services Tax on inter-State transactions of goods and services;
- (e) Conferring concurrent power upon Parliament and the State Legislatures to make laws governing goods and services tax;
- (f) Coverage of all goods and services, except alcoholic liquor for human consumption, for the levy of goods and services tax. In case of petroleum and petroleum products, it has been provided that these goods shall not be subject to the levy of Goods and Services Tax till a date notified on the recommendation of the Goods and Services Tax Council.
- (g) Compensation to the States for loss of revenue arising on account of implementation of the Goods and Services Tax for a period of five years;
- (h) Creation of Goods and Services Tax Council to examine issues relating to goods and services tax and make recommendations to the Union and the States on parameters like rates, exemption list and threshold limits. The Council shall function under the Chairmanship of the Union Finance Minister and will have the Union Minister of State in charge of Revenue or Finance as member, along with the Minister in-charge of Finance or Taxation or any other Minister nominated by each State Government. It is further provided that every decision of the Council shall be taken by a majority of not less than $3/4^{\text{th}}$ (i.e. 75%) of the weighted votes of the members present and voting in accordance with the following principles:—

- (A) The vote of the Central Government shall have a weightage of 1/3rd of the total votes cast, and
- (B) The votes of all the State Governments taken together shall have a weightage of 2/3rd of the total votes cast in that meeting.

Tabular presentation of all the amendments

Provision	Issue
Section 1	This section provides for short title and commencement of the Constitution (Amendment) Act. As per Sub Section (2), these amendments are to be applicable from the date to be notified by the Central Government.
Section 2 (Most Important Amendment)	<p>NEW ARTICLE 246A INSERTED – SPECIAL PROVISION WITH RESPECT TO GOODS AND SERVICES TAX</p> <p>This section makes enabling provisions for the Union and States with respect to the GST legislation. It further specifies that Parliament has exclusive power to make laws with respect to GST on interstate transactions.</p> <p>Thus, as per these provisions, the CGST and SGST Act shall be made by Central Government and State Governments respectively, while the IGST Act shall be made by Central Government only.</p>
Section 3	<p>AMENDMENT OF ARTICLE 248</p> <p>This section seeks to make consequential amendments in article 248 of the Constitution in view of the amendment in section 2 of the Bill.</p>
Section 4	<p>AMENDMENT OF ARTICLE 249</p> <p>This section seeks to make consequential amendments in article 249 of the Constitution in view of the amendment in section 2 of the Act. This amendment enables Parliament to make laws in national interest, if so required as per the procedure laid therein.</p>
Section 5	<p>AMENDMENT OF ARTICLE 250</p> <p>This section seeks to make consequential amendments in article 250 of the Constitution in view of the proposed amendment in section 2 of the Act. The amendment makes it clear that Union may legislate as in other cases if a proclamation of emergency is in operation.</p>

Provision	Issue
Section 6	<p>AMENDMENT OF ARTICLE 268</p> <p>This section seeks to amend article 268 of the Constitution to omit the duties of excise on medicinal and toilet preparations from the purview of the power of the Government of India in view of the proposed imposition of goods and services tax on goods and services.</p>
Section 7	<p>OMISSION OF ARTICLE 268A</p> <p>This section seeks to omit article 268A of the Constitution. The said article empowers the Government of India to levy taxes on services. As tax on services has been brought under GST, such a provision would no longer be required.</p>
Section 8	<p>AMENDMENT OF ARTICLE 269</p> <p>Article 269 provides for the taxes levied and collected by the Union but assigned to the States. The present amendment has been made consequential to the insertion of new article 269A which provides for levy of goods and services tax on supplies in the course of inter-State trade or commerce.</p>
Section 9 (Most Important Amendment)	<p>INSERTION OF NEW ARTICLE 269A – LEVY AND COLLECTION OF GOODS AND SERVICES TAX IN COURSE OF INTER-STATE TRADE OR COMMERCE</p> <p>The present section seeks to insert a new article 269A which provides for goods and services tax on supplies in the course of inter-State trade or commerce which shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by Parliament by law on the recommendations of the Goods and Services Tax Council. It also provides that Parliament may, by law, formulate the principles for determining the place of supply, and when a supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.</p>
Section 10	<p>AMENDMENT OF ARTICLE 270</p> <p>This amendment provides that goods and services tax levied and collected by the Government of India, shall also be distributed.</p>

Provision	Issue
<p>Section 11 (Most Important Amendment)</p>	<p>AMENDMENT OF ARTICLE 271</p> <p>This amendment put restrictions on the powers of Parliament to levy surcharge for on the GST. In other words, it provides that goods and services on which GST is levied shall not be subject to any surcharge under article 271.</p>
<p>Section 12 (Most Important Amendment)</p>	<p>INSERTION OF NEW ARTICLE 279A - GOODS AND SERVICES TAX COUNCIL</p> <p>The present section has inserted the provisions for GST Council.</p> <p>The Goods and Services Tax Council shall consist of the following members, namely:-</p> <ul style="list-style-type: none"> a) The Union Finance Minister..... Chairperson; b) The Union Minister of State in charge of Revenue or Finance..... Member; c) The Minister in charge of Finance or Taxation or any other Minister nominated by each State Government.....Members. <p>Further the Goods and Services Tax Council shall make recommendations to the Union and the States on-</p> <ul style="list-style-type: none"> a) The taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax; b) The goods and services that may be subjected to, or exempted from the goods and services tax; c) Model Goods and Services Tax Laws, principles of levy, apportionment of Integrated Goods and Services Tax and the principles that govern the place of supply; d) The threshold limit of turnover below which goods and services may be exempted from goods and services tax; e) The rates including floor rates with bands of goods and services tax; f) Any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;

Provision	Issue
	<p>g) Special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and</p> <p>h) Any other matter relating to the goods and services tax, as the Council may decide.</p>
Section 13	<p>AMENDMENT OF ARTICLE 286 This is a consequential amendment</p>
Section 14 (Important Amendment)	<p>AMENDMENT OF ARTICLE 366 The present section specifies the definition of '<i>Goods and Services Tax</i>', '<i>Services</i>' and '<i>State</i>'. As per the definitions, only alcoholic liquor for human consumption has been excluded from the ambit of GST Constitutionally. All other forms of alcohol like alcohol for industrial use and medicinal and toilet preparation containing alcohol which falls in the taxing domain of the Central Government have been included in GST. This exclusion has been done to address the strong concern of the states regarding loss of revenue if potable alcohol was to be subsumed under GST.</p>
Section 15	<p>AMENDMENT OF ARTICLE 368 This clause seeks to amend article 368 of the Constitution in view of the amendments referred to in Section 12 of the said Act (GST Council) so as to apply the special procedure which requires the ratification of the Bill by the Legislatures of not less than one half of the States in addition to the method of voting provided for amendment of the Constitution. Thus, any modification in GST Council shall also require the ratification by the legislatures of one half of the states.</p>
Section 16	<p>AMENDMENT OF SIXTH SCHEDULE This section seeks to amend the sub-paragraph (3) of paragraph 8 of the Sixth Schedule to the Constitution with a view to empower the District Council for an autonomous district to have the power to levy and collect taxes on entertainment and amusements within such district.</p>

Provision	Issue
Section 17 (Important Amendment)	AMENDMENT OF SEVENTH SCHEDULE This section seeks to make the consequential amendments in Union List and State List Entries
Section 18	The present section provides for the Mandatory Compensation to States for 5 years for loss of revenue on account of introduction of goods and services tax. The present Constitutional amendment Act has deleted the provisions for the applicability of 1% additional tax on interstate transactions.
Section 19	This section seeks to provide for transitional provisions. This section prescribe a timeframe of 1 year within which the subsuming of different indirect taxes into GST would take place and enable the competent Legislature to amend or repeal their existing laws to pave the way for imposition of SGST in the States.
Section 20	This section provides the power to president to remove difficulties within a period of 3 years.

CHAPTER 3

Model GST Law – A Snapshot

The Government implemented the much awaited GST w.e.f. 01st July' 2017. Almost 35 Acts Passed, 90 notifications, 19 Rules notified and 3 Circulars issued.

The Set of Acts are as below:-

1. Central GST Act' 2017,
2. Integrated GST Act' 2017,
3. Union Territory GST Act' 2017 and
4. GST (Compensation to States) Act' 2017
5. State GST Acts' 2017.

The State as well as Central GST Acts would almost be same. Thus, our discussion for Central GST Act would be applicable for State GST Acts as well.

The Central GST Act' 2017 has 21 Chapters, 174 Sections, 3 Schedules and runs into 121 pages. Integrated GST Act' 2017 has got 9 Chapters, 25 Sections and runs into 23 pages. Union Territory GST Act' 2017 has 9 Chapters, 26 Sections and runs into 20 pages. GST (Compensation to States) Act' 2017 has 14 Sections, 1 Schedule and runs into 12 pages.

Major Changes introduced in GST Acts' 2017 passed on 12th April 2017

1. Change in the Scope of Taxable Event i.e. Supply:

Earlier the supply of goods or services between related persons, when made in the course or furtherance of business was treated as Supply even when there is no consideration. Employer and Employee were covered in the definition of related person. Thus any supply of Goods or services by employer to his employees even if that supply is free of cost would have

been covered under the scope of GST. Now the Act provides that such gifts not exceeding Rs. 50,000 by an employer to an employee shall not be treated as supply for the purpose of GST.

2. Removal of uncertainty relating to chargeability of GST on Supply of Immovable Property:

Earlier the “Goods” were defined as every kind of movable property other than money and securities but includes actionable claim. Further the “Services” were defined as anything other than goods. Thus there was an apprehension that Government may levy GST on supply of Immovable Property such as Land or building apart from levy of Stamp duty on such transactions. Now in the Act introduced in the parliament, the government has removed that uncertainty by providing in Schedule III that, “Sale of land and, sale of building except the sale of under construction building will neither be treated as a supply of goods nor a supply of services. Thus GST can’t be levied in those supplies.

3. Non Chargeability of GST on Actionable Claims:

As “Actionable claim” were included in the definition of “Goods”, there may be chargeability of GST on supply of Actionable Claim under earlier law. In the Schedule III of newly introduced Act, Actionable Claim, other than lottery, betting and gambling will neither be treated as a supply of goods nor a supply of services. Thus GST can’t be levied in that case.

4. Fixing the Upper cap of GST rate at 20% in case of CGST Law, and 40% in case of IGST Law:

Earlier the upper cap fixed was 14% and 25% respectively in both the laws. With a view to keep some flexibility to increase the rates in future, the upper cap has been fixed at 20% and 40% respectively under CGST and IGST Law. However the applicable slab rate will be same as approved by council i.e. 5%, 12%, 18% and 28%.

5. Payment of GST by recipient under Reverse Charge in case of supply of taxable goods or services or both by a unregistered supplier to a registered person.

In line with the purchase tax on purchase of goods from an unregistered dealer prevailing in many of the states, the GST Act has introduced the same. Liability to pay GST in such cases will be on the recipient of such goods or services. This liability to pay tax under reverse charge mechanism is now been postponed till 31st March, 2018 (amended as per notification no. 38/2017 – Central tax (rate) dated 13th October, 2017). Earlier, the government has exempted of Rs. 5000/- per day

6. Reduction in Composition rates, a welcome move for MSME sector:

Earlier it was proposed to levy 1% composition rate for trader and 2.5% for manufacturer. Further composition scheme was not allowed for a supplier of services. Now in the Act, some reduction in composition rates has been made which is a welcome move for the MSME sector. 1% of composition rate will be applicable in case of a manufacturer instead of earlier 2.5%. Further 0.50% of composition rate will be applicable in case of a trader instead of earlier 1%. Further the composition scheme will now be allowed to Restaurant Sector with a composition rate of 2.5%.

7. Requirement to seek permission from proper officer for composition scheme is dispensed with:

Now a registered person, whose aggregate turnover in the preceding financial year did not exceed 100 lacs (amended as per notification no. 46/2017 – Central tax dated 13th October, 2017), may opt to pay under composition scheme.

8. Change in the provision for determining the liability to pay tax in case of Services (Time of Supply of Services):

Earlier, the time of supply of services was the earlier of date of issue of Invoice, or the last date on which the invoice should have been issued or date of receipt of payment by the supplier. Now in the Act, as introduced in the parliament, the provisions of service tax for determining liability to pay service tax has been incorporated in the GST Act. Thus the time of supply of services shall be earlier of the following dates:

- (a) If the invoice is issued within the period prescribed, the date of issue of invoices or the date of receipt of payment, whichever is earlier;
- (b) If the invoice is not issued within the period prescribed, the date of provision of services, or the date of receipt of payment, whichever is earlier;
- (c) The date on which the recipient shows the receipt of services in his books of accounts, in a case where aforesaid clause (a) or (b) does not apply.

9. Change in Actual Payment Condition for Non-reversal of Credits:

Earlier where a recipient fails to pay to the supplier of services, the amount towards the value of supply along with taxes thereon within a period of 3 months from the date of issue of invoices by the supplier, an amount equal to ITC availed were required to be paid along with interest thereon. Thus the aforesaid provision was restricted only in case of Services. Further there was

no provision made in the law for re-allowing the credit reversed earlier due to application of aforesaid provisions. Now in the Act, the aforesaid provision is also extended to supply of Goods. Further the time period for payment is extended to 180 days from earlier 3 months. Further provision has also been made for re-availing the credit reversed earlier at the time of actual payment.

10. Credit of Rent-a-cab, life insurance, and health insurance allowed, if used for making an outward taxable supply of same category.

Earlier the credit of rent-a-cab, life insurance, and health insurance were fully denied except where 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. The aforesaid provision of denial of credit would have multifold consequences. For example, a life insurance company, in case re-insurance of life insurance, will not be eligible to take credit of GST paid on re-insurance amount. With a view to avoid the genuine hardships, the credit of aforesaid services will be allowed if used for making an outward taxable supply of same category or as a part of taxable composite or mixed supply

The list of provisions in GST Act' 2017 are tabulated below:-

LIST OF CHAPTERS IN CENTRAL GST ACT' 2017	
Chapter No.	Chapter Name
Chapter -1	Preliminary
Chapter -2	Administration
Chapter -3	Levy and Collection of Tax
Chapter -4	Time and Value of Supply
Chapter -5	Input Tax Credit
Chapter -6	Registration
Chapter -7	Tax Invoice, Credit and Debit Notes
Chapter -8	Accounts and Records
Chapter -9	Returns
Chapter -10	Payment of Tax
Chapter -11	Refunds
Chapter -12	Assessment
Chapter -13	Audit
Chapter -14	Inspection, Search, Seizure and Arrest
Chapter -15	Demands and Recovery

Chapter -16	Liability to pay in Certain Cases
Chapter -17	Advance Ruling
Chapter -18	Appeals and Revision
Chapter -19	Offences and Penalties
Chapter -20	Transitional Provisions
Chapter -21	Miscellaneous

LIST OF CHAPTERS IN INTEGRATED GST ACT' 2017

Chapter No.	Chapter Name
Chapter -1	Preliminary
Chapter -2	Administration
Chapter -3	Levy and Collection of Tax
Chapter -4	Determination of Nature of Supply
Chapter -5	Place of Supply of Goods and/or Services
Chapter -6	Refund of Integrated Tax to International Tourist
Chapter -7	Zero rated Supply
Chapter -8	Apportionment of Tax and Settlement of Funds
Chapter -9	Miscellaneous

LIST OF CHAPTERS IN UNION TERRITORY GST ACT' 2017

Chapter No.	Chapter Name
Chapter -1	Preliminary
Chapter -2	Administration
Chapter -3	Levy and Collection of Tax
Chapter -4	Payment of Tax
Chapter -5	Inspection, Search, Seizure and Arrest
Chapter -6	Demands and Recovery
Chapter -7	Advance Rulings
Chapter -8	Transitional Provisions
Chapter -9	Miscellaneous

The GST Act' 2017 sets out the provisions of taxable event, taxable person, time of supply, valuation of supply and input tax credit. The Act also deals with the various administrative and procedural aspects of levy, such as, registration, filing of returns, assessment, payment of tax, maintenance of accounts, refunds, audit, demands and recovery, inspection, search, seizure and arrest, offences and penalties, prosecution, appeals and revision, advance ruling and transitional provisions.

Under the GST regime, tax is payable by the taxable person on the supply of goods and/or services. Liability to pay tax arises when the taxable person crosses the threshold exemption, i.e. Rs.20 lakhs. (This has been increased to 20 lakh after the GST Council meet on 23rd Sept' 2016). The CGST / SGST is payable on all intra-State supply of goods and/or services and IGST is payable on all inter-State supply of goods and/or services. Intra-State supply of goods and/or services refers to those transactions where the location of the supplier and the place of supply are in the same State. Inter-State supply of goods and/or services refers to those transactions where the location of the supplier and the place of supply are in different States. The CGST /SGST and IGST are payable at the rates specified in the Schedules to the respective Acts.

The IGST Act, inter alia, sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. Where the supply does not involve movement of goods, the place of supply shall be the location of such goods at the time of delivery to the recipient. Where the goods are assembled or installed at site, the place of supply shall be the place of such installation or assembly. Where the goods are supplied on board a conveyance the place of supply shall be the location at which such goods are taken on board.

The Act also sets out in detail the rules for determination of the place of supply of services. As per the Act, the place of supply of services (other than some specified exceptions) made to a registered person shall be the location of such person and that made to a person other than a registered person shall be the location of the recipient where the address on record exists. In other cases, i.e. where the address on record is not available, the place of supply shall be the location of the supplier of service. The draft law has also set out rules for determining the place of supply of certain services like immovable property, restaurant and catering, training and performance appraisal, admission to a cultural, scientific or educational event, organization of a fair, exhibition etc., transportation of goods, passengers, telecommunications, banking, insurance and financial services.

The IGST law deals with cross utilization of IGST credit. It has been provided that on utilization of IGST credit for payment of CGST, the Central Government shall transfer an amount equal to the credit so utilized from the IGST account to CGST account. Likewise, on utilization of IGST credit for payment of SGST, the Central Government shall transfer an amount equal to the credit so utilized from the IGST account to SGST account. The draft provides for apportionment of tax collected under this Act and settlement of funds. It has also been provided that

certain provisions of the CGST Act such as registration, valuation, time of supply, exemption, ITC, audit, assessment, demands, adjudication, refund, search, seizure and arrest, prosecution, appeals, shall apply *mutatis mutandis* to this Act.

The GST Act has been drafted keeping in view certain policy objectives, such as, clarity in tax laws, tax laws which are easy to administer, tax laws which are non-adversarial and tax payer-friendly, and which improves “ease of doing business”. An attempt has been made to provide a fair dispute resolution mechanism for tax payers under GST. The highlights of the GST Act are as under:

Minimal interface

The physical interface between the tax payer and the tax authorities would be minimal under GST. Certain important provisions in this regard are:

- (i) Registration will be granted on line and shall be deemed to have been granted if no deficiency is communicated to the applicant within working days as may be prescribed.
- (ii) Taxable person shall himself assess the taxes payable (self-assessment) and credit it to the account of the Government.
- (iii) Payment of tax shall be made electronically through internet banking. Smaller taxpayers shall be allowed to use the systems generated challan and pay tax at the bank counter.
- (iv) The tax payer shall furnish the details of sales and purchases electronically without any physical interface with the tax authorities.
- (v) Tax payers shall file, electronically, monthly returns of sales and purchases, ITC availed, tax payable, tax paid and other prescribed particulars. Composition tax payers shall file, electronically, quarterly returns. Omission/incorrect particulars can be self-rectified before the filing of annual return.
- (vi) Matching, reversal and reclaim of input tax credit shall be done electronically on the GSTN portal without any tax payer contact. [This would prevent, *inter alia*, input tax credit being taken on the basis of fake invoices or twice on the same invoice.]
- (vii) Tax payers shall be allowed to keep and maintain accounts and other records in electronic form.

Input tax credit

The provisions of input tax credit have been prone to litigation. The GST law provides an elaborate mechanism for availment and utilization of ITC and seeks to impart clarity so as to minimize disputes. The important provisions of the law are:

- (i) Tax payer is allowed to take credit of taxes paid on inputs (input tax credit), as self-assessed, in his return.
- (ii) Taxpayer can take credit of taxes paid on all goods and services, other than a few in the negative list, and utilize the same for payment of output tax.
- (iii) Credit of taxes paid on inputs shall be allowed where the inputs are used for business purposes or making taxable supplies.
- (iv) Full input tax credit shall be allowed on capital goods on its receipt as against the current Central Government practice of staggering the credit in two equal instalments.
- (v) Unutilized input tax credit can be carried forward.
- (vi) The facility of distribution of input tax credit amongst group companies has been provided for.

Refund

Refund provisions have been simplified and made more taxpayer friendly. Some of the important provisions of the GST Act are:

- (i) Time limit for claiming refund has been increased from one year to two years.
- (ii) Refund claim along with documentary evidence is to be filed online without any physical interface and the tax refund will be directly credited to the nominated bank account of the applicant.
- (iii) Refund shall be granted within 60 days from the date of receipt of application. Interest is payable if refund is not sanctioned within the stipulated period of 60 days.
- (iv) If the refund claim is less than Rs. 5 lakhs, there is no need for the claimant to furnish any documentary evidence that he has not passed on the incidence of tax to any other person. Only a self-certification to this effect would suffice.
- (v) Refund of input tax credit shall be allowed in case of exports or where the credit accumulation is on account of inverted duty structure (i.e. where the tax rate on output is lower than that on inputs).
- (vi) In case of refund claim on account of exports, 90% of the claim shall be paid immediately on a provisional basis without verification of documentary evidence.

Demands

Keeping in mind complaints of long delays in issuance of adjudication orders, a new concept of sunset clause for tax disputes has been introduced. The important provisions in this regard are:

- (i) Adjudication order shall be issued within 3 years of filing of annual return in normal cases.
- (ii) The time limit is 5 years (of filing of annual return) in fraud/suppression cases.
- (iii) There are separate time lines for issue of SCN. In normal case, the SCN shall have to be issued at least 3 months prior to the issuance of order. In fraud case, the SCN shall have to be issued at least 6 months prior to the issuance of order.
- (iv) Provisions for settlement of cases have been made available to taxpayers at every stage, right from audit/investigation to the stage of passing of adjudication order and even thereafter.
- (v) Penalty is minimal if the tax short paid / non-paid is deposited along with interest at the stage of audit/investigation.
- (vi) The officer shall in his order set out the relevant facts and the basis of his decision.
- (vii) The amount of tax, interest and penalty demanded in the order shall not be in excess of the amount specified in the notice.
- (viii) No demand shall be confirmed on grounds other than the grounds specified in the notice.

Audit

The manner of conducting audit has been a sore point with the taxpayers. In the GST law, certain disciplines have been brought in, as enumerated below, to streamline the process of audit.

- (i) It is not necessary that in all cases the tax authorities would have to visit the place of business of the taxpayer for conducting audit. The audit can even be conducted at the office of the tax authorities.
- (ii) Tax payer shall be informed sufficiently in advance, not less than 15 working days, prior to the conduct of audit.
- (iii) The audit shall be carried out in a transparent manner and completed generally within a period of 3 months from the date of commencement of audit. It can be extended for a period of maximum to 6 months.

- (iv) On conclusion of audit, the proper officer shall within 30 days notify the taxable person of the findings, the taxable person's rights and obligations and reasons for the findings.

Penalty disciplines

Another area of dissatisfaction of the taxpayers has been the propensity of the tax authorities to impose disproportionately high penalties for breaches of law which may not be that serious. In order to address this concern, certain general disciplines, as mentioned below, have been incorporated in the GST Law.

- (i) No substantial penalties shall be imposed for minor breaches of tax regulations or procedural requirements.
- (ii) No penalty shall be imposed in respect of any omission or mistake in documentation which is easily rectifiable and obviously made without fraudulent intent or gross negligence.
- (iii) Penalty shall be commensurate with the degree and severity of the breach.
- (iv) No penalty shall be imposed without issue of Show Cause Notice and without giving personal hearing.
- (v) Reasoning is to be given in the order, specifying the nature of the breach and the applicable laws or procedure.
- (vi) In case of voluntary disclosure of breach, the tax authorities may consider this fact as a potential mitigating factor when establishing a penalty for that person.

Alternate dispute resolution mechanism

The various modes of dispute resolution like advance ruling and Settlement Commission have been continued under GST law.

- (i) Advance ruling can be sought in respect of more subjects than allowed at present. The subjects are: classification of goods/or services, method of valuation, rate of tax, admissibility of input tax credit, liability to pay tax, liability to take registration and whether a particular transaction amounts to a supply under GST law.
- (ii) The facility of appeal, which is not there under the Central law, has been provided in the Model GST Law. The applicants, if aggrieved by the advance ruling, would henceforth get the opportunity to file an appeal before the Appellate Authority for revision of the ruling.
- (iii) The provision of Settlement Commission has been included in IGST Law only.

Transitional provisions

In the GST law, elaborate transitional provisions have been made to enable smooth migration of tax payers from the present regime to GST. The important provisions in this regard are:

- (i) The existing taxpayers shall be issued a provisional certificate of registration valid for 6 months. Upon furnishing of prescribed information, registration shall be granted on a final basis.
- (ii) The amount of Cenvat credit / VAT carried forward in a return shall be allowed to be taken as input tax credit subject to certain conditions. Un-availed Cenvat credit on capital goods, not carried forward in a return, shall also be allowed to be taken as ITC subject to certain conditions.
- (iii) Credit of eligible duties and taxes in respect of inputs held in stock shall be allowed to a registered taxable person subject to fulfilment of certain conditions.
- (iv) Credit of eligible duties and taxes in respect of inputs held in stock shall be allowed to a taxable person switching over from the composition scheme to the normal scheme.
- (v) No tax is payable on the goods removed/despatched earlier but returned to the place of business after the introduction of GST. This is subject to the condition that the goods are returned within a period of 6 months after the introduction of GST.
- (vi) Likewise, no tax shall be payable on the inputs, semi-finished goods and finished goods removed/despatched earlier for job work or for carrying out certain processes and returned to the place of business after the introduction of GST. This is subject to the condition that the inputs / goods are returned within a period of 6 months after the introduction of GST.
- (vii) Pending refund claims shall be disposed of in accordance with the provisions of earlier law and the amount of refund shall be paid to the claimant in cash, subject to certain conditions.
- (viii) Pending claim of Cenvat credit /input tax credit shall be disposed of in accordance with the provisions of earlier law and the amount of refund shall be paid to the claimant in cash, subject to certain conditions.
- (ix) No tax shall be payable on the supply of goods and /or services made before the introduction of GST where a part of consideration for the said supply is received on or after the introduction of GST, but the full duty or tax payable on such supply has already been paid under the earlier law.

- (x) No tax shall be payable on the goods sent on approval basis before the introduction of GST but are rejected and returned to the seller on or after the introduction of GST if such goods are returned within 6 months from the introduction of GST.

Other provisions of GST Law

The GST Law contains several other provisions which are taxpayer friendly and are meant for facilitating trade. The provisions worth mentioning here are:

- (i) Valuation of goods shall be done on the basis of transaction value i.e. the invoice price, which is the current practice under the Central Excise and Customs Laws.
- (ii) Tax payments for all months shall be made in the succeeding month. Tax dues of March are thus to be paid in April and not March, as at present in the Central Government. Composition taxpayers filing quarterly returns and thereby paying tax on a quarterly basis will be required to pay tax in the month succeeding the quarter-end.
- (iii) Taxpayers are allowed to issue supplementary or revised invoice in respect of a supply made earlier.
- (iv) Taxpayers are allowed to file the details of sales and purchases, and the various returns through Tax Return Preparers.
- (v) The facility of provisional assessment to tax payers in cases where he is unable to determine the value or rate of tax has been allowed.
- (vi) New modes of payment of tax are being introduced, viz. through credit and debit cards, National Electronic Fund Transfer (NEFT) and Real Time Gross Settlement (RTGS).
- (vii) The Commissioner has been empowered to grant extension of time for payment of certain tax dues or allow payment of such amount in monthly instalments to the tax payer.
- (viii) The facility of job work has been continued under the GST regime.
- (ix) E-Commerce companies shall collect tax at source in relation to any supplies made through their online platforms at the rate notified by the Government. This would eliminate the issues around the levy of entry tax on e-commerce transactions.
- (x) Exports shall be treated as zero rated supply. No tax is payable on exports but credit of the input tax related to that supply is admissible.
- (xi) Provision has been made for the Government to provide remission of tax on supplies which are found to be deficient in quantity due to any natural causes.

- (xii) A separate schedule (schedule II) has been provided to clarify certain types of supply as either supply of goods or of services. For example, supply of intangibles, works contract supplies, lease transactions and restaurant supplies are categorised as supply of services. Hopefully, this would put an end to the prevailing confusion on their tax treatment.

CHAPTER 4

Chargeability for GST

Every taxing statute is required to incorporate provisions pertaining to the taxable event, rate of tax and the time when tax is payable. As per GST Act passed on 12th April' 2017, these requirements are fulfilled by Section 9 (Chargeability), Schedule to Act (Rate of GST) and Section 12 & 13 (Time of Payment of GST) of Central GST Act' 2017.

Provisions for Chargeability

The charging section speaks for the essential conditions on the fulfilment of which, the tax can be charged. Section 9 of Central GST Act' 2017 speaks for the conditions of taxability (levy) as follows:-

Conditions for Levy of CGST/SGST (Section 9 of GST Act 2017)

- (i) There must be a **Supply**. *(The term supply defined in Section 7 of the Act) [Refer discussion under Separate Chapter titled "Supply"]*
- (ii) The Supply must be of **Goods and/or Services**. *(Thus, no GST on other than Goods and / or Services)*
- (iii) The Supply must be **Intra State**. *[The Supply within State is chargeable to CGST and SGST. The other supply viz, between two states shall be chargeable to IGST]*
- (iv) The person must be a **Taxable Person**. *[As defined Section 2 (107) read with Section 22 and 24 of the Central GST Act].*

Conditions for Levy of IGST (Section 5 of IGST Act 2017)

- (i) There must be a **Supply**. *(The term supply defined in Section 7 of the Act) [Refer discussion under Separate Chapter titled "Supply"]*

- (ii) The Supply must be of **Goods and/or Services**. *(Thus, no GST on other than Goods and / or Services)*
- (iii) The Supply must be **Inter State**. *[The Supply within State is chargeable to CGST and SGST. The other supply viz, between two states shall be chargeable to IGST]*
- (iv) The person must be a **Taxable Person**. *[As defined Section 2 (107) read with Section 22 and 24 of the Central GST Act].*

<p>Meaning of the term 'Supply'</p>	<p>The term Supply has been defined in Section 7 of the Central GST Act 2017. The definition, is as follows:-</p> <ul style="list-style-type: none"> (a) All forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, 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; <p>Thus the definition has very wide connotations as it also includes the activities without consideration. The valuation mechanism applicable to non-monetary transactions shall be placed soon.</p> <p><i>(Refer detailed discussion below)</i></p>
<p>Meaning of the Important terms</p>	<p>Definitions by Amended Constitution</p> <p>As per article 366 of the Constitution of India amended by 'Clause 14' of the Constitution (122nd Amendment) Act' 2014 assented on 8th September' 2016, the important related definition are reproduced below:-</p> <p><i>(12A) "Goods and Services Tax" means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption;</i></p> <p><i>(26A) "Services" means anything other than goods;</i></p> <p>Definitions under Section 2 of Central GST Act 2017</p> <p><i>(52) "Goods"</i></p> <p>➤ <i>Means every kind of movable property other than money and securities</i></p>

	<ul style="list-style-type: none"> ➤ But includes, actionable claims, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under the contract of supply; <p>(102) “Services”</p> <ul style="list-style-type: none"> ➤ 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;
<p>Meaning of the term ‘Intra State’ and ‘Inter State’</p>	<p>Section 7 of IGST Act 2017: Supplies of goods and/or services in the course of Inter-State trade or commerce</p> <ul style="list-style-type: none"> ➤ Supply of goods shall be treated as supply in the course of Inter-State trade or commerce, where the location of the supplier and the place of supply are in-- <ul style="list-style-type: none"> (a) Two different States; (b) Two different Union territories; or (c) A State and a Union territory, <p>Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall also be treated to be a supply of goods in the course of inter-State trade or commerce.</p> <ul style="list-style-type: none"> ➤ Supply of services shall be treated as supply in the course of Inter-State trade or commerce, where the location of the supplier and the place of supply are in-- <ul style="list-style-type: none"> (a) Two different States; (b) Two different Union territories; or (c) A State and a Union territory, <p>Supply of services imported into the territory of India shall also be treated to be a supply of services in the course of inter-State trade or commerce.</p> <p>Section 8 of IGST Act 2017: Supplies of goods and/or services in the course of Intra-State trade or commerce</p>

	<ul style="list-style-type: none"> ➤ Intra-State supply of goods means <ul style="list-style-type: none"> ✓ Where the location of the supplier and the place of supply of goods are in the same State or same Union territory, ➤ Intra-State supply of services means <ul style="list-style-type: none"> ✓ Where the location of the supplier and the place of supply of services are in the same State or same Union territory
<p>Meaning of the term ‘Taxable Person’</p>	<p>The scope and ambit of this term has been specified in Section 2(107) read with Section 22 and 24 of the Central GST Act’ 2017. As per these sections, Taxable Person means a person who is registered or liable to be registered under Section 22 or 24 of this Act.</p> <p>A person who takes registration voluntarily shall also be treated as a taxable person.</p>

CHAPTER 5

Composition Scheme

To help small businesses avoid the hassles of collecting GST, claiming Input Tax credit, etc, the GST law has specified a simpler levy. This levy is called Composition Levy. Also, the scheme is optional and not mandatory. This facility is available u/s 10 of the GST Act 2017. Some of the features of composition levy are explained below:

- In order to opt for composition scheme the total aggregate turnover of the taxable person should not exceed INR 100 lakhs (amended as per notification no. 46/2017-Central Tax, dt. 13-10-2017).
- The definition of “aggregate turnover” as per section 2(6) of GST law:
“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;
- Instead of collecting GST taxpayer will pay a certain % of levy. This levy or tax will be not less than 1% in case of a manufacturer; 2.5% in case of Restaurants and 0.5% in any other case of the turnover in a state during the year.
- **Composition levy is not applicable to the taxable person:-**
 - (a) Who is engaged in the supply of services other than in case of Restaurants; or

- (b) Who makes any supply of goods which are not leviable to tax under this Act; or
 - (c) Who makes any inter-State outward supplies of goods; or
 - (d) Who makes any supply of goods through an electronic commerce operator who is required to collect tax at source under section 56; or
 - (e) Who is a manufacturer of such goods as may be notified on the recommendation of the Council:
- Composition levy is linked to an assessee's PAN. In case an assessee has opted for the scheme for a business with a particular Pan, the scheme shall apply to all the businesses with the same PAN.
 - In order to identify the total number of registrations of a particular organization the PAN will be considered as common identifier to calculate total number of registrations taken by such organization in India under GST and aggregate turnover reported by all the GSTINs having same PAN will be considered to calculate the limit of INR 100 lakhs.
 - The requirement of the law clearly states that in case any of the premise (s) having same PAN has/have not opted for composition scheme, then the benefits of the composition scheme can't be availed by other premises.
 - No GST shall be collected by an assessee opting for the scheme from the recipient of its supplies.
 - The composite taxpayer shall not be allowed to take any credit on the inward supplies received by them on which they have paid taxes.
 - In case the taxpayer is doing any inter-state supplies of goods and/or services then no permission for opting of composition shall be granted.
 - Under GST regime all the taxpayers have to take registration w.r.t all states from where they are supplying goods and/or services. So, this will result in taking multiple registrations.

Thus, it can be concluded that in the following cases composition levy cannot be availed:

1. Aggregate turnover of all premises (GSTINs) with same PAN exceeds the prescribed limit of INR 100 lakhs.
2. Any of the premise of the Organization having the same PAN is registered as a Normal taxpayer.
3. In case taxpayer is doing any inter-state supplies of goods and/or services.

Frequently Asked Questions on Composition Levy

Q 1. What is composition levy under GST?

Ans. The composition levy is an alternative method of levy of tax designed for small taxpayers whose turnover is up to Rs. 75 lakhs (Rs. 50 lakhs in case of few States). The objective of composition scheme is to bring simplicity and to reduce the compliance cost for the small taxpayers. Moreover, it is optional and the eligible person opting to pay tax under this scheme can pay tax at a prescribed percentage of his turnover every quarter, instead of paying tax at normal rate.

Q 2. What is the specified rate of composition levy?

S. No.	Category of Registered person	Rate of Tax
1	Manufacturers, other than manufacturers of such goods as may be notified by the Government (Ice cream, Pan Masala, Tobbacco prodcuts etc.)	2% (1% Central tax plus 1% State tax) of the turnover
2	Restaurant Services	5% (2.5% Central tax plus 2.5% SGST) of the turnover
3	Traders or any other supplier eligible for composition levy	1% (0.5% Central tax plus 0.5% State tax) of the turnover

Q 3. What is the eligibility category for opting for composition levy? Which are the Special Category States in which the turnover limit for Composition Levy for Central tax and State tax purpose shall be Rs. 50 lakhs?

Ans. Composition scheme is a scheme for payment of GST available to small taxpayers whose aggregate turnover in the preceding financial year did not cross Rs. 100 lakhs. In the case of the following States, the limit of turnover is Rs. 75 lakhs:-

- a) Arunachal Pradesh
- b) Assam
- c) Manipur
- d) Meghalaya
- e) Mizoram
- f) Nagaland
- g) Sikkim
- h) Tripura
- i) Himachal Pradesh

Q 4. Who are the persons not eligible for composition scheme?

Ans. Following persons are not allowed to opt for the composition scheme:

- a) a casual taxable person or a non-resident taxable person;
- b) suppliers whose aggregate turnover in the preceding financial year crossed Rs. 100 lakhs;
- c) supplier who has purchased any goods or services from unregistered supplier unless he has paid GST on such goods or services on reverse charge basis;
- d) supplier of services, other than restaurant service;
- e) persons supplying goods which are not taxable under GST law;
- f) persons making any inter-State outward supplies of goods;
- g) suppliers making any supply of goods through an electronic commerce operator who is required to collect tax at source under section 52; and
- h) a manufacturer of following goods:

S. No.	Classification (Tariff item/ Chapter)	Descriptions
1	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa
2	2106 90 20	Pan masala
3	24	Tobacco and manufactured tobacco substitutes

Note: There is no restriction on procuring goods from inter-state suppliers by persons opting for the composition scheme

Q 5. When will a person opting for composition levy pay tax?

Ans. A person opting for composition levy will have to pay tax on quarterly basis before

18th of the month succeeding the quarter during which the supplies were made.

Q 6. A person availing composition scheme during a financial year crosses the turnover of Rs.100 lakhs/75 lakhs during the course of the year i.e. say he crosses the turnover of Rs.100 lakhs/75 lakhs in December? Will he be allowed to pay tax under composition scheme for the remainder of the year i.e. till 31st March?

Ans. No. The option to pay tax under composition scheme lapses from the day on which his aggregate turnover during the financial year exceeds the specified limit (Rs. 100 lakhs / Rs. 75 lakhs). He is required to file an intimation for withdrawal from the scheme in **FORM GST CMP-04** within seven days from the day on which the threshold limit has been crossed.

However, such person shall be allowed to avail the input tax credit in respect of the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him and on capital goods held by him on the date of withdrawal and furnish a statement within 30 days of withdrawal containing the details of such stock held in **FORM GST ITC-01** on the common portal.

Q 7. How will the aggregate turnover be computed for the purpose of composition?

Ans. Aggregate turnover will be computed on the basis of turnover on an all India basis and will include value of all taxable supplies, exempt supplies and exports made by all persons with same PAN, but would exclude inward supplies under reverse charge as well as central, State/Union Territory and Integrated taxes and cess.

Q 8. Can a person who has opted to pay tax under the composition scheme avail

Input Tax Credit on his inward supplies?

Ans. No. A taxable person opting to pay tax under the composition scheme is out of the credit chain. He cannot take credit on his input supplies. When he switch over from composition scheme to normal scheme, eligible credit on the date of transition would be allowed (refer Q 6 above).

Q 9. Can a registered person, who purchases goods from a taxable person paying tax under the composition scheme, avail credit of tax paid on purchases made from the composition dealer?

Ans. No as the composition dealer cannot collect tax paid by him on outward supplies from his customers, the registered person making purchases from a taxable person paying tax under the composition scheme cannot avail credit.

Q 10. Can a person paying tax under the composition scheme issue a tax invoice under GST?

Ans. No. He can issue a bill of supply in lieu of tax invoice.

Q 11. Are monthly returns required to be filed by the person opting to pay tax under the composition scheme?

*Ans. No. Such persons need to electronically file quarterly returns in **Form GSTR-4** on the GSTN common portal by the 18th of the month succeeding the quarter. For example return in respect of supplies made during July, 2017 to September, 2017 is required to be filed by 18th October, 2017.*

Q 12. What are the basic information that need to be furnished in GSTR-4?

Ans. It would contain details of the turnover in the State or Union territory, inward supplies of goods or services or both and tax payable.

Q 13. A person opting to pay tax under the composition scheme receives inputs/input services from an unregistered person. Will the composition taxpayer have to pay GST under reverse charge? If yes, in what manner?

*Ans. Yes. Tax will have to be paid on such supplies by the composition taxpayer under reverse charge mechanism. The tax can be paid by the 18th day of the month succeeding the quarter in which such supplies were received. The information relating to such supplies should be shown by the composition taxpayer in Table 4 of return in **FORM GSTR -4**.*

Q 14. What is the form in which an intimation for payment of tax under composition scheme needs to be made by the taxable person?

*Ans. The intimation is to be filed electronically in **FORM GST CMP- 01** or **FORM GST CMP- 02**.*

Q 15. A person registered under existing law (Central Excise/Service Tax/VAT) and who has been granted registration on a provisional basis wants to opt for composition scheme. How and when can he do that?

*Ans. Such a person has to electronically file a duly signed/verified intimation in **FORM GST CMP-01**, on the common portal, **prior to 22nd June, 2017** or such further period as may be allowed by the Commissioner.*

Q 16. What are the other compliances which a provisionally registered person opting to pay tax under the composition levy need to make?

*Ans. Such person is required to furnish the details of stock, including the inward supply of goods received from unregistered persons, held by him on the day preceding the date from which he opts to pay tax under the composition scheme, electronically, in **FORM GST CMP-03**, on the common portal, either directly or through a Facilitation Centre notified by the Commissioner, within a period of sixty days from the date on which the option for composition levy is exercised or within such further period as may be extended by the Commissioner in this behalf.*

Q 17. Can a person making application for fresh registration under GST opt for composition levy at the time of making application for registration?

*Ans. Yes. Such persons can give the option to pay tax under the composition scheme in **Part B of FORM GST REG-01**. This will be considered as an intimation to pay tax under the composition scheme.*

Q 18. Can the option to pay tax under composition levy be exercised at any time of the year?

*Ans. No. The option is required to be given electronically in **FORM GST CMP-02**, prior to the commencement of the relevant financial year.*

Q 19. Can a person who has already obtained registration, opt for payment under composition levy? If so, how?

*Ans. Yes. Such persons need to give intimation electronically in **Form GST CMP-02** but from beginning of the financial year only.*

Q 20. What are the compliances from ITC reversal point of view that need to be made by a person opting for composition levy?

Ans. The registered person opting to pay tax under composition scheme is required to pay an amount equal to the input tax credit 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 exercise of option. The ITC on inputs shall be calculated proportionately on the basis of corresponding invoices on which credit had been availed by the registered taxable person on such inputs.

In respect of capital goods held in stock on the day immediately preceding the date of exercise of option, the input tax credit involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as 5 years. Assume capital goods have been in use for 4 years, 6 months and 15 days. The useful remaining life in months will be 5 months ignoring the part of the month. If ITC on such capital goods is taken as C, ITC attributable to the remaining useful life will be C multiplied by 5/60. This would be the amount payable on capital goods.

The ITC amount shall be determined separately for integrated tax, central tax and state tax/Union territory tax. The payment can be made by debiting electronic credit ledger, if there is sufficient balance in the said ledger, or by debiting electronic cash ledger. The balance, if any in the electronic credit ledger would lapse.

*Such persons also have to furnish the statement in **FORM GST ITC-03** which is a declaration for intimation of ITC reversal/payment of tax on inputs held in stock, inputs contained in semi-finished and finished goods held in stock and capital goods under Section 18(4) of the CGST Act, 2017 within a period of sixty days from the commencement of the relevant financial year.*

Q 21. In case a person has registration in multiple states? Can he opt for payment of tax under composition levy only in one state and not in other state?

Ans. The option to pay tax under composition scheme will have to be exercised for all States.

Q 22. What is the effective date of composition levy?

Ans. There can be three situations:

Situation	Effective date of composition levy
<i>Persons who have been granted provisional registration and who opt for composition levy (Intimation under Rule 3(1))</i>	<i>The appointed date is 22nd June, 2017</i>
<i>Persons opting for composition levy at the time of making application for new registration in the same registration application itself (Intimation under Rule 3(2))</i>	<i>Effective date of registration; Intimation shall be considered only after the grant of registration and his option to pay tax under section 10 shall be effective from the effective date of registration</i>
<i>Persons opting for composition after obtaining registration (Intimation under Rule 3(3))</i>	<i>The beginning of the financial year</i>

Q 23. What are the other conditions and restrictions subject to which a person is allowed to avail of composition scheme?

Ans. The person exercising the option to pay tax under section 10 shall comply with the following other conditions (in addition to what is stated in answer to Q 4 above), namely: -

- a) *he shall mention the words “composition taxable person, not eligible to collect tax on supplies” at the top of the bill of supply issued by him; and*
- b) *he shall mention the words “composition taxable person” on every notice or signboard displayed at a prominent place at his principal place of business and at every additional place or places of business.*

Q 24. What is the validity of composition levy?

Ans. The option to pay tax under composition levy would remain valid so long as conditions mentioned in section 10 of the CGST Act, 2017 and Rule 3 to 5 of the CGST Rules, 2017 remain satisfied.

Q 25. Can a person paying tax under composition levy, withdraw voluntarily from the scheme? If so, how?

*Ans. Yes. The registered person who intends to withdraw from the composition scheme can file a duly signed or verified application in **FORM GST CMP-04**.*

*Every person who has filed an application for withdrawal from the composition scheme, may electronically furnish, a statement in **FORM GST ITC-01** containing details of the stock of inputs and inputs contained in semi-finished or finished goods held in stock by him on the date of withdrawal, within a period of thirty days of withdrawal.*

Q 26. What action can be taken by the proper officer for contravention of any provisions of composition levy and how?

*Ans. Where any contravention is observed by the proper officer wherein the registered person was not eligible to pay tax under the composition scheme or has contravened the provisions of the CGST Act, 2017 or provisions of Chapter II of the CGST Rules, 2017, he may issue a notice to such person in **FORM GST CMP-05** to show cause within fifteen days of the receipt of such notice as to why the option to pay tax under the composition scheme shall not be denied.*

*Upon receipt of the reply to the said show cause notice in **FORM GST CMP-06**, the proper officer shall issue an order in **FORM GST CMP-07** within a period of thirty days of the receipt of such reply, either accepting the reply, or denying the option to pay tax under the composition scheme from the date of the option or from the date of the event concerning such contravention, as the case may be.*

Q 27. In case the option to pay tax under composition levy is denied by the proper officer, can the person avail ITC on stock after denial?

*Ans. Yes. ITC can be availed by filing, a statement in **FORM GST ITC-01** (containing details of the stock of inputs and inputs contained in semi-finished or finished goods held in stock) by him on the date on which the option is denied as per order in **FORM GST CMP-07**, within a period of thirty days from the order.*

Q 28. Will withdrawal intimation in any one place be applicable to all places of business?

Ans. Yes. Any intimation or application for withdrawal in respect of any place of business in any State or Union territory, shall be deemed to be an intimation in respect of all other places of business registered on the same Permanent Account Number.

Q 30. Can supplier of Services opt for composition levy?

Ans. No, the only exception being supplier of restaurant services.

Q 31. What are the penal consequences if a person opts for the composition scheme in violation of the conditions?

Ans. If a taxable person has paid tax under the composition scheme though he was not eligible for the scheme then the person would be liable to penalty and the provisions of section 73 or 74 shall be applicable for determination of tax and penalty.

Q 32. Can a person paying tax under composition scheme make supplies of goods to SEZ?

Ans. No. Supplies to SEZ from domestic tariff area will be treated as inter-State supply. A person paying tax under composition scheme cannot make inter-State outward supply of goods. Thus, for making supplies to an SEZ unit, a person needs

to take registration as a regular taxpayer. The supplies to SEZ will be zero rated and the supplier will be entitled to

make supplies without payment of tax or if he pays tax, he will be entitled to refund of tax so paid.

Q 33. A registered person has excess ITC of Rs 10, 000/- in his last VAT return for the period immediately preceding the appointed day. Under GST he opts for composition scheme. Can he carry forward the aforesaid excess ITC to GST?

Ans. The registered person will not be able to carry forward the excess ITC of VAT to GST if he opts for composition scheme.

CHAPTER 6

GST & Exports

GST AND EXPORTS - ATTENTION EXPORTERS

GSTIN / PAN and Invoice information in Shipping Bill:

1. Quoting GSTIN in Shipping bill is mandatory if the export product attracts GST for domestic clearance.
2. Quoting PAN (Permanent Account Number), which is authorized as Import Export code by DGFT, would suffice if the exporter exclusively deals with products which are either wholly exempt from GST or out of GST regime.
3. In case of exports by specialized agencies such as United Nations Organization or notified Multilateral Financial Institutions, Embassies and Consulates, the exporter can quote Unique Identity Number, instead of GSTIN, in the Shipping bill.
4. Without GSTIN or PAN or UIN, the Shipping bill cannot be filed.
5. The claim for refund of IGST paid or Input Tax Credit on inputs consumed in goods exported cannot be processed without GSTIN and GST Invoice details in Shipping Bill.
6. Commercial Invoice information should be provided in the Shipping Bill. Wherever Commercial Invoice is different from Tax Invoice, details of both have to be provided in the Shipping Bill.
7. Taxable value and Tax amount should be mentioned against each item in the Shipping bill for processing the refund amount. Multiple tax invoices issued by same GSTIN holder are allowed in one Shipping bill for the same consignee.

8. State code is part of GSTIN numbering scheme. However, in the Shipping Bill for the field “State of origin” declare the State code from where export goods originated as it was being done before.

BOND OR LUT ALONG WITH SHIPPING BILL:

9. As per rule 96A of the Central Goods and Services Tax Rules, 2017 any registered person exporting goods without payment of integrated tax is required to furnish a bond or a Letter of Undertaking (LUT) in FORM GST RFD-11.
10. The following registered person shall be eligible for submission of Letter of Undertaking in place of a bond: -
 - a. a status holder as specified in the Foreign Trade Policy 2015- 2020; or
 - b. who has received the due foreign inward remittances amounting to a minimum of 10% of the export turnover, which should not be less than one crore rupees, in the preceding financial year,
and he has not been prosecuted for any offence under the Central Goods and Services Tax Act, 2017 (12 of 2017) or under any of the existing laws in case where the amount of tax evaded exceeds two hundred and fifty lakh rupees. (Notification No. 16/2017-Central Tax dated 07th July, 2017 refers).
11. The bond shall be furnished on non-judicial stamp paper of the value as applicable in the State in which bond is being furnished.
12. The exporters shall furnish a running bond, in case he is required to furnish a bond, in FORM GST RFD -11. The bond would cover the amount of tax involved in the export based on estimated tax liability as assessed by the exporter himself.
13. Based on the track record of exporter, a bank guarantee required to be submitted along with the bond may be waived off by the jurisdictional GST Commissioner. The bank guarantee should normally not exceed 15% of the bond amount. (Circular No. 4/4/2017-GST dated 07th July, 2017 refers)

Drawback:

14. For a transition period of three months i.e. 1.7.2017 to 30.9.2017, composite rates of All Industry Rate (AIR) drawback are available to exporters.
 - I. These composite rates are subject to certain conditions during transition period that ensure that input credit /refund under GST

and drawback of composite rates are not taken together for the export product.

- II. Exporter has to produce certificate from jurisdictional GST officer to avail composite rate.

This requirement is applicable to supplies for export made on or after 1.7.2017, as all exporters are required to operate under GST from that date.

- III. The requirement of certificate is not a new requirement. All registered persons who were exporting under bond or on claim for rebate were producing such certificate prior to 1.7.2017 also.

- IV. In case export goods have been cleared from the factory or warehouse etc. prior to 1.7.2017 but let export order has not been given till 30.6.2017, certificate from GST officer is not required. For such goods, only a declaration from exporter or certificate from the then Central Excise officer as applicable is required.

- V. In case exporter is unable to produce requisite certificate for claiming composite AIR at the time of export, then exporter should have the Shipping bill amended to claim lower AIR (Customs portion) at time of export. The exporter can claim balance amount of drawback as supplementary claim when he produces certificate.

15. Instructions issued to all jurisdictional authorities to ensure smooth clearance of export consignments.

INDIAN CUSTOMS GEARS UP FOR GST ROLL-OUT GUIDANCE NOTE FOR IMPORTERS AND EXPORTERS

I. Introduction:

The purpose of this guidance note is to bring clarity about the impact of GST, which would come into force with effect from 01.07.2017, for importers and exporters.

On the imports side there would be no impact on levy of Basic Customs duty, Education Cess, Anti-dumping duty, Safeguard duty and the like. However, the Additional duties of Customs, which are in common parlance referred to as Countervailing Duty (CVD) and Special Additional duty of Customs (SAD), would be replaced with the levy of Integrated Goods and Services Tax (IGST), barring a few exceptions. On the exports side, export would be treated as zero-rated supply. Under zero-rated supply IGST paid on export goods or the input tax credit proportionate to the goods and services consumed in goods exported under bond/LUT would be refunded.

A brief summary of the changes that would impact importers and exporters upon roll out of GST are encapsulated below:

Imports under GST

II. Duties at the time of import:

In the GST regime, IGST and GST Compensation cess will be levied on imports by virtue of sub-sections (7) & (9) of Section 3 of the Customs Tariff Act, 1975. Barring a few commodities such as pan masala, certain petroleum products which attract levy of CVD, majority of imports would attract levy of IGST. Further, a few products such as aerated waters, tobacco products, motor vehicles etc, would also attract levy of GST Compensation Cess, over and above IGST. IGST and GST Compensation cess, wherever applicable, would be levied on cargo that would arrive on or after 1st July, 2017. It may also be noted that IGST would also be levied on cargo which has arrived prior to 1st July but a bill of entry is filed on or after 1st July 2017. Similarly ex-bond bill of entry filed on or after 1st July 2017 would attract IGST and GST Compensation cess, as applicable. In the case where cargo arrival is after 1st July and an advance bill of entry was filed before 1st July along with the payment of duty, the bill of entry may be recalled and reassessed by the proper officer for levy of IGST and GST compensation Cess, as applicable.

III. Duty Calculation:

IGST rate: IGST rates have been notified through notification 01/2017-Integrated Tax (Rate), dated 28-06-2017. IGST rate on any product can be ascertained by selecting the correct Sl. No. as per description of goods and tariff headings in the relevant schedules of the notification. Importers are advised to familiarize themselves with IGST and GST compensation cess rates, schedule and exemptions which are available on CBEC website. The Customs duty calculator would be made available on CBEC and ICEGATE website. There are seven rates prescribed for IGST- Nil, 0.25%, 3%, 5%, 12%, 18% and 28%. The actual rate applicable to an item would depend on its classification and would be specified in Schedules notified under section 5 of the IGST Act, 2017. The rates applicable to goods of Chapter 98 are as under:

- 9801- Project Imports- 18%
- 9802- Laboratory Chemicals- 18%
- 9803- Passenger baggage – Nil Rate
- 9804- Specified Drugs and medicines for personal use- 5%
- 9804- Other drugs and medicines for personal use- 12%
- 9804- All other dutiable goods for personal use- 28%

Likewise, different rates of tax have been notified for goods attracting Compensation Cess which is leviable on 55 item descriptions (of supply). These rates are mostly ad valorem. But some also attract either specific rates (e.g. coal) or mixed rates (ad valorem + specific) as for cigarettes. The coverage of the goods under GST compensation cess is available on CBEC website along with their HSN codes and applicable cess rates. The IGST Rates of Goods, Chapter wise IGST rate, GST Compensation Cess rates, IGST Exemption/Concession are available on CBEC website for trade and departmental officers as well.

Valuation and method of calculation: IGST is leviable on the value of imported goods and for calculating integrated tax on any imported article, the value of such imported goods would be the aggregate of -

- (i) the value of imported article determined under sub-section (1) of section 14 of the Customs Act, 1962 or the tariff value fixed under sub-section (2) of the that section and
- (ii) any duty of Customs chargeable on that article under section 12 of the Customs Act, 1962 and any sum chargeable on that article under any law for the time being in force as an addition to, or as duty of Customs but does not include to the tax referred in the sub-section 7 (IGST) and sub-section 9 (Compensation Cess).

The value of the imported article for the purpose of levying GST Compensation cess shall be, assessable value plus Basic Customs Duty levied under the Act, and any sum chargeable on the goods under any law for the time being in force, as an addition to, and in the same manner as, a duty of customs. These would include education cess or higher education cess as well as anti-dumping and safeguard duties. The inclusion of anti-dumping duties and safeguard duty in the value for levy of IGST and Compensation Cess is an important change. These were not hitherto included in the value for the levy of additional duty of customs (CVD) or Special Additional Duty (SAD). The IGST paid shall not be added to the value for the purpose of calculating Compensation Cess.

Although BCD, Education Cesses and IGST would be applicable in majority of cases, however, for some products CVD, SAD or GST Compensation cess may also be applicable. For different scenarios the duty calculation process has been illustrated in Annexure - I of this document.

IV. Changes in import procedures:

Importer Exporter Code (IEC): In GST regime, GSTIN would be used for credit flow of IGST paid on import of goods. Therefore, GSTIN would be the key identifier. DGFT in its Trade Notice No. 09 dated 12.06.2017 has stated that PAN would be

the Import Export code (IEC). However, while PAN is identifier at the entity level, GSTIN would be used as identifier at the transaction level for every import and export. Further, in scenarios where GSTIN is not applicable, UIN or PAN would be accepted as IEC. It is advised that all importers need to quote GSTIN in their Bills of Entry in addition to IEC. In due course of time IEC would be replaced by PAN / GSTIN.

Bill of Entry Regulations and Format: To capture additional details in the Bill of entry such as GSTIN, IGST rate and amount, GST Compensation Cess and amount, the electronic as well as manual formats of Bill of entry including Courier Bill of entry are being amended. For the benefit of the trade, modified Forms have been hosted on the departmental website, www.cbec.gov.in. Further, suitable notifications shall be issued to amend the relevant regulations and introduce modified Forms.

V. Import under Export Promotion Schemes and duty payment through EXIM scrips:

Under the GST regime, Customs duties will be exempted on imports made under export promotion schemes namely EPCG, DEEC (Advance License) and DFIA. IGST and Compensation Cess will have to be paid on such imports.

The EXIM scrips under the export incentive schemes of chapter 3 of FTP (for example MEIS and SEIS) can be utilised only for payment of Customs duties or additional duties of Customs, on items not covered by GST, at the time of import. The scrips cannot be utilized for payment of Integrated Tax and Compensation Cess. Similarly, scrips cannot be used for payment of CGST, SGST or IGST for domestic procurements.

VI. EOUs and SEZ:

EOUs/EHTPs/STPs will be allowed to import goods without payment of basic customs duty (BCD) as well additional duties leviable under Section 3 (1) and 3(5) of the Customs Tariff Act. GST would be leviable on the import of input goods or services or both used in the manufacture by EOUs which can be taken as input tax credit (ITC). This ITC can be utilized for payment of GST taxes payable on the goods cleared in the DTA or refund of unutilized ITC can be claimed under Section 54(3) of CGST Act. In the GST regime, clearance of goods in DTA will attract GST besides payment of amount equal to BCD exemption availed on inputs used in such finished goods. DTA clearances of goods, which are not under GST, would attract Central Excise duties as before.

VII. Imports / Procurement by SEZs

Authorised operations in connection with SEZs shall be exempted from payment of IGST. Hence, there is no change in operation of the SEZ scheme.

VIII. Project Import

Currently for items imported under project import scheme (i.e. CTH 9801), unique heading under the Central Excise Tariff, for the purposes of levy of CVD does not exist. Therefore, under the Central Excise Tariff, each item is getting classified in a heading as per its description and duty is paid on merit. In the GST regime, for the purpose of levying IGST all the imports under the project import scheme will be classified under heading 9801 and duty shall be levied @ 18%.

IX. Baggage

Full exemption from IGST has been provided on passenger baggage. However, basic customs duty shall be leviable at the rate of 35% and education cess as applicable on the value which is in excess of the duty free allowances provided under the Baggage Rules, 2016.

X. Refunds of SAD paid on imports

The need for SAD refunds arose mainly on account of the fact that traders or dealers of imported goods were unable to take credit of this duty (which was a Central tax) while discharging their VAT or Sales tax liability (which was State levy) on subsequent sale of the goods. Unless corrected through a mechanism such as refund (of one of the taxes) this would have resulted in “double” payment of tax.

With the introduction of GST on 01.07.2017, credit of “eligible duties” in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock, is permissible to registered persons not liable to be registered under the existing law (for instance, VAT dealers) under transitional provisions (Section 140(3) of the CGST Act). Further, eligible duties as defined in sub-section (10) include SAD. In other words, dealers/ traders can take ITC of SAD paid on goods imported prior to 1st July 2017. Sub-section (5) of section 140 also allows a registered person to take credit of eligible duties in respect of inputs received on or after 1 July 2017 but the duty on which has been paid under the existing law. These provisions taken together ensure that SAD paid by dealers/ traders can be set-off against their GST liability as and when imported goods are supplied by them in the domestic market. However, certain items which are out of the GST net would be eligible for SAD refunds as earlier.

XI. Imports and Input Tax Credit (ITC):

In GST regime, input tax credit of the integrated tax (IGST) and GST Compensation Cess shall be available to the importer and later to the recipients in the supply chain, however the credit of basic customs duty (BCD) would not be available. In order to avail ITC of IGST and GST Compensation Cess, an importer has to mandatorily declare GST Registration number (GSTIN) in the Bill of Entry. Provisional IDs issued by GSTN can be declared during the transition period. However, importers are advised to complete their registration process for GSTIN as ITC of IGST would be available based on GSTIN declared in the Bill of Entry. Input tax credit shall be availed by a registered person only if all the applicable particulars as prescribed in the Invoice Rules are contained in the said document, and the relevant information, as contained in the said document, is furnished in FORM GSTR-2 by such person.

Customs EDI system would be interconnected with GSTN for validation of ITC. Further, Bill of Entry data in non-EDI locations would be digitized and used for validation of input tax credit provided by GSTN.

Exports under GST

XII. Drawback

No amendments have been made to the drawback provisions (Section 74 or Section 75) under Customs Act 1962 in the GST regime. Hence, the drawback scheme will continue in terms of both section 74 and section 75. Option of All Industry Rate (AIR) as well as Brand Rate under Section 75 shall also continue.

Drawback under Section 74 will refund Customs duties as well as Integrated Tax and Compensation Cess paid on imported goods which are re-exported.

At present Duty Drawback Scheme under Section 75 neutralises Customs duty, Central excise duty and Service Tax chargeable on any imported materials or excisable materials used or taxable services used as input services in the manufacture of export goods. Under GST regime, Drawback under Section 75 shall be limited to Customs duties on imported inputs and Central Excise duty on items specified in Fourth Schedule to Central Excise Act 1944 (specified petroleum products, tobacco etc.) used as inputs or fuel for captive power generation.

A transition period of three months is also being provided from date of implementation of GST i.e. 1.7.2017. During this period, existing duty drawback scheme under Section 75 shall continue. For exports during this period, exporters can claim higher rate of duty drawback (composite AIR) subject to conditions that no input tax credit of CGST/IGST is claimed, no refund of IGST paid on export goods is claimed and no CENVAT credit is carried forward. A declaration from

exporter and certificate from jurisdictional GST officer in this regard has been prescribed in the notification related to AIRs. This will prevent double avaiement of neutralisation of input taxes. Similarly, the exporter can claim brand rate for Customs, Central Excise duties and Service Tax during this period.

Exporters also have the option of claiming only the Customs portion of AIR and claim refund/ITC under GST laws.

All Industry Rates for the transition period shall be notified before 1.7.2017. The AIR for post transition period shall be notified in due course of time.

The certificates from jurisdictional GST officer as referred above may not be available during initial days. As per Systems design, whenever higher rate (composite rate) of drawback is claimed, the non-availment of credit certificate is a mandatory document and unless it is recorded as available, shipping bill will not move to LEO stage. In such a situation, all field formations shall ensure that exports are not delayed for requirement of the said certificate. The way out in such situation for the exporter is to amend the shipping bill to claim lower rate. The exporter will have an option to file supplementary claim as per Drawback Rules at a later date once the certificate is obtained. A similar issue in respect of Cenvat credit has been examined and clarified in the past vide Instruction no. 609/159/2016-DBK dated 13.03.2014.

Secondly, it could be possible that export goods may be manufactured by using both Central Excise/Service Tax paid and CGST/IGST paid inputs and inputs services or only CGST/IGST paid inputs and inputs services. In such situation, an exporter opting to claim composite rate of duty drawback during transition period has to give specified declaration and produce certificates as stated above so that he does not claim double benefit. Exporter will have to reverse the ITC if any availed and also ensure that he does not claim refund of ITC/IGST. Requisite certificate from GST officer shall also be required to this effect. As mentioned earlier, exporters will also have option of claiming credit/refund of CGST/IGST and claim Customs rate drawback.

XIII. Refund of IGST paid on exports and Export under Bond scheme:

Under GST regime exports would be considered as zero-rated supply. Any person making zero rated supply (i.e. any exporter) shall be eligible to claim refund under either of the following options, namely: --

- (a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or

(b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 (Refunds) of the Central Goods and Services Tax Act or the rules made there under (i.e Refund Rules 2017).

For the option (a), procedure to file refund has been outlined in the Refund Rules under GST. The exporter claiming refund of IGST will file an application electronically through the Common Portal, either directly or through a Facilitation Centre notified by the GST Commissioner. The application shall be accompanied by documentary evidences as prescribed in the said rules. Application for refund shall be filed only after the export manifest or an export report, as the case may be, is delivered under section 41 of the Customs Act, 1962 in respect of such goods.

For the option (b), the shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when the person in charge of the conveyance carrying the export goods duly files an export manifest or an export report covering the number and the date of shipping bills or bills of export and the applicant has furnished a valid return.

For both option (a) and (b) exporters have to provide details of GST invoice in the Shipping bill. ARE-1 which is being submitted presently shall be dispensed with except in respect of commodities to which provisions of Central Excise Act would continue to be applicable.

XIV. Change in export Procedures:

Electronic as well as manual Shipping Bill formats including Courier Shipping Bill are being amended to include GSTIN and IGST related information so as to ensure that the export benefits like refund of IGST paid as well as accumulated input tax credit can be processed seamlessly. For the benefit of the trade, modified Forms have been hosted on the departmental website, www.cbec.gov.in. Further, suitable notifications shall be issued to amend the relevant regulations and introduce modified Forms.

XV. Export under factory stuffing procedures:

In the context of GST, taking into account the obligation of filing GSTR1 and GSTR2 by exporters who are registered under GST, Board intends to simplify the procedure relating to factory stuffing hitherto carried out under the supervision of Central Excise officers. It is the endeavour of the Board to create a trust based environment where compliance in accordance with the extant laws is ensured

by strengthening Risk Management System and Intelligence mechanism of the department. Suitable circular in this regard would be issued. Until then the extant instructions on the issue may be followed.

Note: The above guidance note should not be used in any quasi-judicial or judicial proceedings, where only the relevant legal texts need to be referred to.

ANNEXURE-I

Case 1.-Where product attracts IGST but not CVD

Suppose Assessable Value (A.V.) including landing charges =Rs. 100/-

- (1) BCD- 10%
- (2) IGST-12%
- (3) Education cess – 2%
- (4) Higher education cess -1%

In view of the above parameters, the calculation of duty would be as below:

- (a) BCD = Rs. 10 [10% of A.V.]
- (b) Education cess- Rs. 0.2 [2% of (a)]
- (c) Higher education cess- Rs. 0.1 [1% of (a)]
- (d) IGST- Rs. 13.236 [A.V.+(a) +(b) +(c)]x12%

Case 2. Where product does not attract CVD but attract IGST as well as compensation cess

Suppose Assessable Value (A.V.) including landing charges =Rs. 100/-

- (1) BCD- 10%
- (2) IGST-12%
- (3) Education cess – 2%
- (4) Higher education cess -1%
- (5) Compensation cess- 10%

In view of the above parameters, the calculation of duty would be as below:

- (a) BCD = Rs. 10 [10% of A.V.]
- (b) Education cess- Rs. 0.2 [2% of (a)]
- (c) Higher education cess- Rs. 0.1 [1% of (a)]
- (d) IGST- Rs.13.236 [A.V.+(a)+(b)+(c)]x12%
- (e) Compensation cess- Rs. 11.03 [A.V.+(a)+(c)+(d)]x 10%

Case 3. Where product attract both CVD & IGST:

Suppose Assessable Value (A.V.) including landing charges =Rs. 100/-

- (1) BCD- 10%
- (2) CVD- 12%
- (3) IGST-28 %
- (4) Education cess – 2%

(5) Higher education cess -1%

In view of the above parameters, the calculation of duty would be as below:

- (a) BCD = Rs. 10 [10% of A.V.]
- (b) CVD = Rs 13.2 [12% of (A.V.+ BCD)]
- (c) Education cess- Rs. 0.464 [2% of (BCD+CVD)]
- (d) Higher education cess- Rs. 0.232 [1% of (BCD+CVD)]
- (e) IGST- Rs. 34.69 [A.V.+(a)+(b)+(c)+(d)]x 28%

Case 4. Where product attract CVD, IGST& Compensation cess:

Suppose Assessable Value (A.V.) including landing charges =Rs. 100/-

- (1) BCD- 10%
- (2) CVD- 12%
- (3) IGST-28 %
- (4) Education cess – 2%
- (5) Higher education cess -1%
- (6) Compensation cess-10%

In view of the above parameters, the calculation of duty would be as below:

- (a) BCD = Rs. 10 [10% of A.V.]
- (b) CVD = Rs 13.2 [12% of (A.V.+ BCD)]
- (c) Education cess- Rs. 0.464 [2% of (BCD+CVD)]
- (d) Higher education cess- Rs. 0.232 [1% of (BCD+CVD)]
- (e) IGST- Rs. 34.69 [A.V.+(a)+(b)+(c)+(d)]x 28%
- (f) Compensation cess – Rs. 12.389 [A.V.+(a)+(b)+(c)+(d)]x 10%

Note: In cases where imported goods are liable to Anti-Dumping Duty or Safeguard Duty, calculation of Anti-Dumping Duty or Safeguard duty would be as per the respective notification issued for levy of such duty. It is also clarified that value for calculation of IGST as well as Compensation Cess shall also include Anti-Dumping Duty amount and Safeguard duty amount.

CHAPTER 7

Meaning of Supply

The taxable event in GST regime is 'supply' of goods as well as services making it imperative for us to decode the term "Supply" to understand its impact over all the business transactions. The term supply has been defined in an inclusive manner under the GST Act' 2017 passed on 12th April' 2017, to cover all forms of supplies, some of which were not under the tax net till now, such as barter. Understanding the term "supply" is of utmost importance because the levy of GST is based on its occurrence. For instance, taxable event for excise is 'manufacture', for VAT/CST is 'sale', for service tax is 'Provision of service', etc. Under GST all the taxable events will be replaced with only one event which is "Supply" and hence the term supply will be the backbone of the GST Act.

Meaning and Scope of the term "Supply"

Section 7 of the Central GST Act' 2017 specifies the meaning and scope of supply in an inclusive manner. **As per Sub Section (1) of this section, "Supply" includes--**

- (a) **All forms of supply of goods or services or both** such as sale, transfer, barter, exchange, licence, 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.**

Further as per Sub Section (2), the following shall neither be treated as a supply of goods nor a supply of services;

- (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,**

SCHEDULE I

Activities to be treated as supply even if made without consideration

- 1. **Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.**
- 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 Rs. 50,000/- in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
- 3. **Supply of goods—**
 - (a) **By a principal to his agent** where the agent undertakes to supply such goods on behalf of the principal; or
 - (b) **By an agent to his principal** where the agent undertakes to receive such goods on behalf of the principal.
- 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.**

SCHEDULE II

Activities to be treated as supply of goods or supply of services

S.No	Activity	Classification
1.	Transfer	(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;

S.No	Activity	Classification
		(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.
2.	Land and Building	(a) Any lease, tenancy, easement, licence to occupy land is a supply of services; (b) Any lease or letting out of the building is a supply of services.
3.	Treatment or process	Any treatment or process which is applied to another person's goods is a supply of services. (i.e. Job Worker)
4.	Transfer of business assets	(a) Where goods forming part of the assets of a business are transferred, such transfer or disposal is a supply of goods by the person; (b) Where, goods held or used for the purposes of the business are put to any private use, the usage or making available of such goods is a supply of services;
5.	Supply of services	The following shall be treated as supply of service, namely:— (a) Renting of immovable property; (b) Construction of a complex, building, except where the entire consideration has been received after issuance of completion certificate (c) Temporary transfer or permitting the use or enjoyment of any intellectual property right; (d) Development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software; (e) Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act; and (f) Transfer of the right to use any goods.

S.No	Activity	Classification
6.	Composite supply	The following composite supplies shall be treated as a supply of services, namely:— (a) Works contract; and (b) Supply of goods, being food or any other article for human consumption or any drink
7.	Supply of Goods	Supply of goods by any unincorporated association or body of persons to a member thereof shall be treated as a supply of goods.

SCHEDULE III

Activities or transactions which shall be treated neither as a supply of goods nor a supply of services

1. **Services by an employee to the employer** in the course of or in relation to his employment.
2. **Services by any court or Tribunal** established under any law for the time being in force.
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;**
(b) The duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or
(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.
4. **Services of funeral, burial, crematorium or mortuary including transportation of the deceased.**
5. **Sale of land and Sale of building (After the completion certificate).**
6. **Actionable claims, other than lottery, betting and gambling.**

Thus, as per section 7 and the chargeability section 9, the following elements are required to be satisfied, in order to constitute a 'supply':-

- (i) Supply of goods and / or services;
- (ii) Supply is for a consideration; (**Supply specified in 'Schedule 1' is also covered even if made without consideration**)

- (iii) Supply is made in the course or furtherance of business;
- (iv) Supply is made in the taxable territory;
- (v) Supply is a taxable supply; and
- (vi) Supply is made by a taxable person.

Types of Supply

(i) Taxable supply

Taxable supply refers to a supply of goods and/or services which is chargeable to tax under the GST Act.

(ii) Exempt supply

Exempt supply means supply of any goods and/or services which are not taxable under the GST Act and includes such supply of goods/or services which are specified in the Exempt Schedule to the Act or which may be exempt from payment of tax under Sec. 11 of the GST Law.

(iii) Zero-rated supply

Zero rated supply is a supply of any goods and/or services on which no tax is payable but credit of the input tax related to that supply is admissible. Exports shall be treated as zero-rated supply. Zero rated supplies will be treated as taxable supply. Zero rated supply has been specified in Section 16 of IGST Act' 2017. As per this section, "zero rated supply" means any of the following supplies of goods or services or both, namely:--

- (a) Export of goods or services or both; or
- (b) Supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.

(iv) Composite / Mixed supply

Section 2(30) of the Central GST Act' 2017 defines composite supply to mean 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.

As per Section 8 of the Central GST Act' 2017, the tax liability on a composite or a mixed supply shall be determined in the following manner, namely:—

- (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.

(v) Continuous supply of goods/services

Identifying a supply as a continuous supply of goods/services is required in order to determine the time of supply. Section 12 and Section 13 of the Central GST Act read with Section 31 provides separate provisions for time of supply of goods and services in the case of their continuous supply.

As per Section 2(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;

As per Section 2(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;

(vi) Inward / Outward supply

An inward supply refers to receipt of goods and/or services whether by purchase, acquisition or any other means and whether or not for any consideration.

An outward supply refers to supply of goods and/or services, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made by such person in the course or furtherance of business. Section 37 and Section 38 of the Central GST Act’ 2017 mandates every registered taxable person other than an input service distributor, a person paying tax under composite scheme or a tax deductor at source to file details of outward supplies and inward supplies respectively as a part of monthly / quarterly return.

(vii) Inter/Intra State supply

The location of the supplier and the place of supply determines whether a supply is treated as an Intra State supply or an Inter State supply. Determination of the nature of supply is essential to ascertain which type of GST is payable (i.e. CGST/SGST or IGST). Inter State supply of goods means (subject to Section 7 of the draft IGST Act), supply of goods where the location of the supplier and place of supply are in different States. Inter State supply of service means (subject to Section 7 of the draft IGST Act), supply of services where the location of the supplier and place of supply are in different States.

Intra State supply of goods means (subject to Section 8 of the draft IGST Act), supply of goods where the location of the supplier and place of supply are in the same State. Intra State supply of service means (subject to Section 8 of the draft IGST Act), where the location of supplier and the place of supply are in the same State.

(viii) Deemed supply

Schedule I of the Central GST Act' 2017 lists specific transactions made without consideration as deemed supply for GST purposes. They include

- (i) Permanent transfer/disposal of business assets where input tax credit has been availed on such assets.
- (ii) Supply of goods or services between related persons, or between distinct persons as specified under 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 or both.

- (iii) Supply of goods by a principal to his agent or agent to his principal.
- (iv) Importation of services by a taxable person from a related person in the course or furtherance of business.

In this regard, the following FAQs are also referred below for easy understanding of the topic

Q 1. What is the taxable event under GST?

Ans. The taxable event under GST shall be the supply of goods and / or services made for consideration in the course or furtherance of business. The taxable events under the existing indirect tax laws such as manufacture, sale, or provision of services shall stand subsumed in the taxable event known as 'supply':

Q 2. What is the meaning of ‘Supply’?

Ans. The term ‘supply’ is wide in its import and includes all forms of supply of goods and / or services 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. It also includes import of service. The GST law also provides for including certain transactions made without consideration within the scope of supply.

Q 3. What is a taxable supply?

Ans. A ‘taxable supply’ means a supply of goods and / or services which is chargeable to good and services tax under the GST Act.

Q 4. What are the necessary elements that constitute supply under Model GST Law?

Ans. In order to constitute a ‘supply’, the following elements are required to be satisfied, i.e.-

- (i) Supply of goods and / or services;
- (ii) Supply is for a consideration;
- (iii) Supply is made in the course or furtherance of business;
- (iv) Supply is made in the taxable territory;
- (v) Supply is a taxable supply; and
- (vi) Supply is made by a taxable person.

Q 5. Importation of Goods is conspicuous by its absence in Section 3. Why?

Ans. Importation of goods is dealt separately under the Customs Act, 1962, wherein IGST shall be levied as additional duty of customs in addition to basic customs duty.

Q 7. Are self-supplies taxable under GST?

Ans. Inter-state self-supplies such as stock transfers will be taxable as a taxable person has to take state wise registration in terms of Schedule 1(2). Such transactions have been made taxable even if there is no consideration.

Q 8. Whether transfer of title and/or possession is necessary for a transaction to constitute supply of goods?

Ans. Title as well as possession both have to be transferred for a transaction to be considered as a supply of goods. In case title is not transferred, the transaction would be treated as supply of service in terms of Schedule II. In some cases, possession may be transferred immediately but titled may be transferred at a future date like in case of sale on approval basis or hire purchase arrangement. Such transactions will also be termed as supply of goods.

Q 9. What do you mean by “supply made in the course or furtherance of business”?

Ans. No definition or test as to whether the activity is in the course or furtherance of business has been specified under the Model GST Law. However, the following business test is normally applied to arrive at a conclusion whether a supply has been made in the course or furtherance of business:

1. Is the activity, a serious undertaking earnestly pursued?
2. Is the activity is pursued with reasonable or recognisable continuity?
3. Is the activity conducted in a regular manner based on sound and recognised business principles?
4. Is the activity predominantly concerned with the making of taxable supply for consideration/ profit motive?

The test may ensure that occasional supplies, even if made for consideration, will not be subjected to GST.

Q 10. An individual buys a car for personal use and after a year sells it to a car dealer. Will the transaction be a supply in terms of Model GST Law? Give reasons for the answer.

Ans. No, because supply is not made by the individual in the course or furtherance of business. Further, no input tax credit was admissible on such car at the time of its acquisition as it was meant for non-business use.

Q 11. A dealer of air-conditioners transfers an air conditioner from his stock in trade, for personal use at his residence. Will the transaction constitute a supply?

Ans: Yes. As per Schedule-I (1), permanent transfer/disposal of business assets without consideration where input tax credit has been availed on such assets will be treated as supply.

Q 12. Whether provision of service or goods by a club or association or society to its members will be treated as supply or not?

Ans. Yes. Provision of facilities by a club, association, society or any such body to its members shall be treated as supply. This is included in the definition of ‘business’ in section 2(17) of GST Law.

Q 13. What are inter-state supplies and intra-state supplies?

Ans. Inter-state and intra-state supplies have specifically been defined in Section 7 & 8 of IGST Act respectively. Broadly, where the location of the supplier and the place of supply are in same state it will be intra-state and where it is in different states it will be inter-state supplies.

Q 14. Whether transfer of right to use goods will be treated as supply of goods or supply of service? Why?

Ans. Transfer of right to use goods shall be treated as supply of service because there is no transfer of title in such supplies. Such transactions are specifically treated as supply of service in Schedule-II of GST Law.

Q 15. Whether Works contracts and Catering services will be treated as supply of goods or supply of services? Why?

Ans. Works contract and catering services shall be treated as supply of service as specified in Schedule-II of Model GST Law.

Q 16. Whether goods supplied on hire purchase basis will be treated as supply of goods or supply of services? Why?

Ans. Supply of goods on hire purchase shall be treated as supply of goods as there is transfer of title, albeit at a future date.

CHAPTER 8

Time of Supply

Under the GST Acts passed on 12th April' 2017, the incidence of taxation is supply of Goods and Services. It becomes imperative to determine the point of taxation i.e. the time of supply in order to levy the GST upon the assessee. The conditions for “time of supply of goods” is given under Section 12 and the conditions for “time of supply of services” is given under Section 13 of GST Act' 2017. The liability to pay CGST / SGST on the goods shall arise at the time of supply as determined in terms of the provisions of these section.

Provisions for Time of Supply of Goods (Section 12)

In Normal Cases	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 to issue the invoice; or (b) The date on which the supplier receives the payment with respect to the supply:
In Reverse Charge Cases	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 on which the payment is made, or (c) The date immediately following 30 days from the date of issue of invoice by the supplier:

Provisions for Time of Supply of Services (Section 13)

<p>In Normal Cases</p>	<p>The time of supply of services shall be the earlier of the following dates, namely,-</p> <p>(a) The date of issue of Invoice if the invoice is issued within the prescribed period or Receipt of Payment, whichever is earlier;</p> <p>(b) The date of provision of service if invoices is not issued in the prescribed period or Receipt of Payment, whichever is earlier;</p> <p>(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:</p>
<p>In Reverse Charge Cases</p>	<p>The time of supply shall be the earliest of the following dates, namely—</p> <p>(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</p> <p>(b) The date immediately following 60 days from the date of issue of invoice by the supplier:</p>

In this regard, the following FAQs are also referred below for easy understanding of the topic:-

Q 1. What is time of supply?

Ans. The time of supply fixes the point when the liability to charge GST arises. It also indicates when a supply is deemed to have been made. The GST Act’ 2017 provides separate time of supply for goods and services.

Q 2. When does the liability to charge GST arise in respect of supply of goods?

Ans. Section 12 of the GST Act’ 2017 provides for time of supply of goods. The time of supply of goods shall be the earliest of the following namely,

- (a) The date of issue of invoice by the supplier or the last date on which he is required to issue the invoice; or
- (b) The date on which the supplier receives the payment with respect to the supply:

Q 3. What is time of supply of continuous supply of goods?

Ans. As per Section 12, the time of supply of goods shall also be the date of issue of invoice by the supplier or the last date on which he is required to issue the invoice as per Section 31. In case of continuous supply of goods, the requirement of issuance of invoice as per Section 31, is as below;

“(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.”

Q 4. Where it is not possible to determine the time of supply in terms of sub-section 2, 3, 4 of Section 12 or that of Section 13 of GST Act’ 2017, how will time of supply be determined?

Ans. There is a residual entry in Section 12(5) as well as 13(5) which say that if periodical return has to be filed, then the due date of filing of such periodical return shall be the time of supply. In other cases, it will be the date on which the CGST/SGST/IGST is paid.

Q 5. When does the liability to pay GST arise in respect of supply of services?

Ans. Unlike goods, in the case of services, the time of supply is determined by the fact whether the invoice for supply of services has been issued within the prescribed period or beyond such prescribed period.

Q 6. What is time of supply of service when invoice is not issued within prescribed period?

Ans. The time of supply of service in such cases shall be the earliest of the following:

- (i) Date of completion of the provision of service; or
- (ii) The date of receipt of payment

Q 7. What is time of supply of service when invoice is issued within prescribed period?

Ans. The time of supply of service in such cases shall be the earliest of the following:

- (i) Date of issue of invoice; or
- (ii) The date of receipt of payment

Q 8. What does “date of receipt of payment” mean?

Ans. It is the earliest of 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.

Q 9. Suppose part advance payment is made or invoice issued is for part payment, whether the time of supply will cover the full supply?

Ans. No. The supply shall be deemed to have been made to the extent it is covered by the invoice or the part payment.

Q 10. What is time of supply of service in case of tax payable under reverse charge?

Ans. The time of supply will be earliest of following dates:

- (a) The date on which the payment is made, or
- (b) The date immediately following 60 days from the date of issue of invoice by the supplier:

Q 11. What will be the time of supply in continuous supply of services?

Ans. As per Section 13, the time of supply of services shall also be the date of issue of invoice by the supplier or the last date on which he is required to issue the invoice as per Section 31. In case of continuous supply of services, the requirement of issuance of invoice as per Section 31, is as below;

- (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.

Q 12. Let's say there was increase in tax rate from 18% to 20% w.e.f. 1.6.2017. What is the tax rate applicable when services provided and invoice issued before change in rate in April 2017, but payment received after change in rate in June 2017?

Ans. The old rate of 18% shall be applicable as services are provided prior to 1.6.2017.

CHAPTER 9

Place of Supply

Need for Place of Supply of Goods and Services

The basic principle of GST is that it should effectively tax the consumption of such supplies at the destination thereof or as the case may be at the point of consumption. So place of supply provision determines the place i.e. taxable jurisdiction where the tax should reach. The place of supply determines whether a transaction is intra-state or inter-state. In other words, the place of Supply of Goods is required to determine whether a supply is subject to SGST plus CGST in a given State or else would attract IGST if it is an inter-state supply.

Why are place of supply provisions different in respect of goods and services?

Goods being tangible do not pose any significant problems for determination of their place of consumption. Services being intangible pose problems w.r.t determination of place of supply mainly due to following factors:

- (i) The manner of delivery of service could be altered easily. For example telecom service could change from mostly post-paid to mostly pre-paid; billing address could be changed, biller's address could be changed, repair or maintenance of software could be changed from onsite to online; banking services were earlier required customer to go to the bank, now the customer could avail service from anywhere;
- (ii) Service provider, service receiver and the service provided may not be ascertainable or may easily be suppressed as nothing tangible moves and there would hardly be a trail;

- (iii) For supplying a service, a fixed location of service provider is not mandatory and even the service recipient may receive service while on the move. The location of billing could be changed overnight;
- (iv) Sometime the same element may flow to more than one location, for example, construction or other services in respect of a railway line, a national highway or a bridge on a river which originate in one state and end in the other state. Similarly a copy right for distribution and exhibition of film could be assigned for many states in single transaction or an advertisement or a programme is broadcasted across the country at the same time. An airline may issue seasonal tickets, containing say 10 leafs which could be used for travel between any two location in the country. The card issued by Delhi metro could be used by a person located in Noida, or Delhi or Faridabad, without the Delhi metro being able to distinguish the location or journeys at the time of receipt of payment;
- (v) Services are continuously evolving and would thus continue to pose newer challenges. For example 15-20 years back no one could have thought of DTH, online information, online banking, online booking of tickets, internet, mobile telecommunication etc.

What is the need to have separate rules for place of supply in respect of B2B (supplies to registered persons) and B2C (supplies to unregistered persons) transactions?

In respect of B2B transactions, the taxes paid are taken as credit by the recipient so such transactions are just pass through. GST collected on B2B supplies effectively create a liability for the government and an asset for the recipient of such supplies in as much as the recipient is entitled to use the input tax credit for payment of future taxes. For B2B transactions the location of recipient takes care in almost all situations as further credit is to be taken by recipient. The recipient usually further supplies to another customer. The supply is consumed only when a B2B transaction is further converted into B2C transaction. In respect of B2C transactions, the supply is finally consumed and the taxes paid actually come to the government.

Provisions for Place of Supply of Goods

The Central GST Act' 2017 has divided the place of supply of goods in two categories:-

1. Place of supply of goods other than supply of goods imported into, or exported from India. (*i.e. the transaction of supply of goods must be executed within India*) – Section 10 of IGST Law

2. Place of supply of goods imported into, or exported from India. (*i.e. the transaction of supply of goods must be executed between India and Outside India*) – Section 11 of IGST Law

TABULAR PRESENTATION FOR PLACE OF SUPPLY OF GOODS

SECTION 10 OF IGST ACT' 2017

(i.e. Transaction is within India)

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF GOODS
1.	10(a)	Where the supply involves movement of goods	✓ Location of the goods ✓ At the time at which the movement of goods terminates for delivery to the recipient.
2.	10(b)	Where the goods are delivered by the supplier to a recipient on the direction of a third person.	Principal place of business of third person.
3	10(c)	Where the supply does not involve movement of goods	✓ Location of such goods ✓ At the time of the delivery to the recipient.
4	10(d)	Where the goods are assembled or installed at site	Place of such installation or assembly.
5	10(e)	Where the goods are supplied on board a conveyance	Location at which such goods are taken on board
6	10(2)	Where the place of supply of goods cannot be determined in terms of sub-section (1).	Same shall be determined in such manner as may be prescribed.

SECTION 11 OF IGST ACT'2017
(i.e. Transaction is with different country)

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF GOODS
1.	11(a)	In case of Goods Imported into India	✓ Location of the Importer
2.	11(b)	In case of Goods Exported from India	Location Outside India

Provisions for Place of Supply of Services

The Central GST Act' 2017 has divided the place of supply of services in two categories:-

1. Place of supply of services where the location of supplier of service and the location of the recipient of service is in India. *(i.e. the transaction of supply of services must be executed within India)* – Section 12 of IGST Law
2. Place of supply of services where the location of the supplier or the location of the recipient is outside India. *(i.e. the transaction of supply of services must be executed between India and Outside India)* – Section 13 of IGST Law

TABULAR PRESENTATION FOR PLACE OF SUPPLY OF SERVICES

SECTION 12 OF IGST ACT' 2017

(i.e. Transaction is within India)

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF SERVICE
1.	12(2)	Place of Supply of Service in General	<p>In case Supply of Service is made to a Registered Person (i.e. B to B Transaction) -</p> <p>✓ Location of Recipient</p> <p>In case Supply of Service is made to a Non Registered Person (i.e. B to C Transaction) -</p> <p>✓ The location of the recipient - Where the address on record exists, and</p> <p>✓ The location of the supplier of services - In other cases.</p>

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF SERVICE
2.	12(3)	<p>(a) Immovable Property Related Services, including services provided by</p> <ul style="list-style-type: none"> • Architects, • Interior decorators, • Surveyors, • Engineers and • Other related experts or estate agents, • Any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work, or <p>(b) By way of lodging accommodation by a</p> <ul style="list-style-type: none"> • Hotel, • Inn, • Guest house, • Homestay, • Club or campsite, • A house boat or any other vessel, or <p>(c) By way of Accommodation in any Immovable Property for organizing</p> <ul style="list-style-type: none"> • Any marriage or reception or matters related therewith, • Official, social, cultural, religious or business function including services provided in relation to such function at such property, or <p>(d) Any services ancillary to the services referred to in clause (a), (b) and (c),</p>	<p>Location at which the Immovable Property or boat or vessel is located or intended to be located.</p> <p>Where the immovable property or boat or vessel is located Outside India,</p> <p>✓ The place of supply shall be the location of the recipient</p> <p>Where the immovable property or boat or vessel is located in more than one State,</p> <p>✓ The supply of service shall be distributed proportionately in each state in terms of the contract or agreement entered into in this regard or,</p> <p>✓ In the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf.</p>
3.	12(4)	<p>The place of supply of</p> <ul style="list-style-type: none"> • Restaurant and catering services, • Personal grooming, • Fitness, • Beauty treatment, • Health service including cosmetic and plastic surgery 	<p>Location where the services are actually performed.</p>

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF SERVICE
4.	12(5)	The place of supply of services in relation to training and performance appraisal	<p>In case Supply of Service is made to a Registered Person (i.e. B to B Transaction)</p> <p>✓ Location of Recipient</p> <p>In case Supply of Service is made to a Non Registered Person (i.e. B to C Transaction)</p> <p>✓ The location where the services are actually performed.</p>
5.	12(6)	<p>The place of supply of services provided by way of admission to a</p> <ul style="list-style-type: none"> • Cultural, • Artistic, • Sporting, • Scientific, • Educational, or • Entertainment event or • Amusement park or • Any other place and services ancillary thereto, 	Place where the event is actually held or Where the park or such other place is located.
6.	12(7)	<p>The place of supply of services provided by way of—</p> <p>(a) Organization of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of service in relation to a conference, fair, exhibition, celebration or similar events, or</p> <p>(b) Services ancillary to organization of any of the above events or services, or assigning of sponsorship of any of the above events.</p>	<p>In case Supply of Service is made to a Registered Person (i.e. B to B Transaction)</p> <p>✓ Location of Recipient</p> <p>In case Supply of Service is made to a Non Registered Person (i.e. B to C Transaction)</p> <p>✓ Place where the event is actually held.</p> <p>Where the event is held Outside India,</p> <p>✓ The Place of Supply shall be the location of the recipient</p> <p>Where the event is held in more than one State and a consolidated amount is charged,</p> <p>✓ The supply of service shall be distributed proportionately in each state in terms of the contract or agreement entered into in this regard or,</p> <p>✓ In the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf.</p>

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF SERVICE
7.	12(8)	The place of supply of services by way of transportation of goods, including by mail or courier	<p>In case Supply of Service is made to a Registered Person (i.e. B to B Transaction)</p> <ul style="list-style-type: none"> ✓ Location of Recipient <p>In case Supply of Service is made to a Non Registered Person (i.e. B to C Transaction)</p> <ul style="list-style-type: none"> ✓ Location at which such goods are handed over for their transportation. (i.e. <i>Place of Service Provider</i>)
8.	12(9)	Place of supply of passenger transportation service	<p>In case Supply of Service is made to a Registered Person (i.e. B to B Transaction)</p> <ul style="list-style-type: none"> ✓ Location of Recipient <p>In case Supply of Service is made to a Non Registered Person (i.e. B to C Transaction)</p> <ul style="list-style-type: none"> ✓ Place where the passenger embarks on the conveyance for a continuous journey: <p>It is pertinent to note that where the point of embarkation is not known at the time of issue of right to passage,</p> <ul style="list-style-type: none"> ✓ The place of supply of such service shall be determined in the manner specified in sub-sections (2) (i.e. <i>as per General Principal</i>) <p>Further</p> <ul style="list-style-type: none"> ✓ The return journey shall be treated as a separate journey ✓ Even if the right to passage for onward and return journey is issued at the same time.
9.	12(10)	Place of supply of services on board a conveyance such as vessel, aircraft, train or motor vehicle,	Location of the first scheduled point of departure of that conveyance for the journey.
10.	12(11)	Place of supply of <ul style="list-style-type: none"> • Telecommunication services • Including data transfer, 	(a) In case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna,

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF SERVICE
		<ul style="list-style-type: none"> • Broadcasting, • Cable and direct to home television services to any person 	<p>✓ Be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services;</p> <p>(b) In case of mobile connection for telecommunication and internet services provided on post-paid basis,</p> <p>✓ Be the location of billing address of the recipient of services on record of the supplier of services;</p> <p>(c) In cases where mobile connection for telecommunication and internet service are provided on pre-payment through a voucher or any other means,</p> <p>Through a selling agent, be the address of the selling agent,</p> <p>By any person to the final subscriber, be the location where such prepayment is received or such vouchers are sold;</p> <p>(d) In other cases,</p> <p>✓ Be the address of the recipient as per the records of the supplier of services and</p> <p>✓ Where such address is not available,-- the place of supply shall be location of the supplier of services:</p> <p>If such pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment,</p> <p>✓ Place of supply of such service shall be,</p> <p>✓ The location of the recipient of services on record of the supplier of services</p>

S. NO	PROVISION	SITUATION	PLACE OF SUPPLY OF SERVICE
11.	12(12)	The place of supply of banking and other financial services including stock broking services to any person.	<p>Location of the recipient of services on the records of the supplier of services.</p> <p>If the location of recipient of services is not on the records of the supplier,</p> <p>✓ The place of supply shall be the location of the supplier of services.</p>
12.	12(13)	Place of supply of Insurance Services	<p>In case Supply of Service is made to a Registered Person (i.e. B to B Transaction)</p> <p>✓ Location of Recipient</p> <p>In case Supply of Service is made to a Non Registered Person (i.e. B to C Transaction)</p> <p>✓ Location of the recipient of services on the records of the supplier of services.</p>
13.	12(14)	The place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for identifiable States.	<p>Location in each of such States</p> <p>The value of such supplies</p> <p>✓ Shall be distributed proportionately in each state in terms of the contract or agreement entered into in this regard or,</p> <p>✓ In the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf.</p>

SECTION 13 OF IGST ACT' 2017

(i.e. Transaction is with different Country)

These provisions are more or less same as Place of Provision of Service Rules 2012 as applicable in Service Tax law.

Special provision for payment of tax by a supplier of online information and database access or retrieval services (Section 14 of IGST Act' 2017)

In respect of the supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-

taxable online recipient, the supplier of services located in a non-taxable territory shall be the person liable for paying integrated tax on such supply of services:

In the case of supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, an intermediary located in the non-taxable territory, who arranges or facilitates the supply of such services, shall be deemed to be the recipient of such services from the supplier of services in non-taxable territory and supplying such services to the non-taxable online recipient except when such intermediary satisfies the following conditions, namely:-

- (a) The invoice or customer's bill or receipt issued or made available by such intermediary taking part in the supply clearly identifies the service in question and its supplier in non-taxable territory;
- (b) The intermediary involved in the supply does not authorise the charge to the customer or take part in its charge which is that the intermediary neither collects or processes payment in any manner nor is responsible for the payment between the non-taxable online recipient and the supplier of such services;
- (c) The intermediary involved in the supply does not authorise delivery; and
- (d) The general terms and conditions of the supply are not set by the intermediary involved in the supply but by the supplier of services.

The supplier of online information and database access or retrieval services shall take a single registration for payment of integrated tax under the Simplified Registration Scheme to be notified by the Government:

Any person located in the taxable territory representing such supplier for any purpose in the taxable territory shall get registered and pay integrated tax on behalf of the supplier:

If such supplier does not have a physical presence or does not have a representative for any purpose in the taxable territory, he may appoint a person in the taxable territory for the purpose of paying integrated tax and such person shall be liable for payment of such tax.

In this regard, the following FAQs are referred below for easy understanding of the topic:-

Q 1. The place of supply in relation to immovable property is the location of immovable property. Suppose a road is constructed from Delhi to Mumbai covering multiple states. What will be the place of supply?

Ans. Where the immovable property is located in more than one State, the supply of service shall be treated as made in each of the States in proportion to the

value for services separately collected or determined, in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other reasonable basis as may be prescribed in this behalf (The Explanation clause to section 12(3) of the IGST Law)

Q 2. What would be the place of supply of services provided for organizing an event, say, IPL cricket series which is held in multiple states?

Ans. In case of an event, if the recipient of service is registered, the place of supply of services for organizing the event shall be the location of such person.

However, if the recipient is not registered, the place of supply shall be the place where event is held. Since the event is being held in multiple states and a consolidated amount is charges for such services, the place of supply shall be taken as being in each state in proportion to the value of services so provided in each state. (The Explanation clause to section 12(7) of the IGST Act)

Q 3. What will be the place of supply if a person travels from Mumbai to Delhi and back to Mumbai?

Ans. If the person is registered, the place of supply shall be the location of recipient. If the person is not registered, the place of supply for the forward journey from Mumbai to Delhi shall be Mumbai, the place where he embarks.

However, for the return journey, the place of supply shall be Delhi as the return journey has to be treated as separate journey. (The Explanation clause to section 12(10) of the IGST Act)

Q 4. Suppose a ticket/ pass for anywhere travel in India is issued by M/s Air India to a person. What will be the place of supply?

Ans. In the above case, the place of embarkation will not be available at the time of issue of invoice as the right to passage is for future use. Accordingly, place of supply cannot be the place of embarkation. In such cases, the default rule shall apply. (The proviso clause to section 12(9) (b) of the IGST Act)

Q 5. What will be the place of supply for mobile connection? Can it be the location of supplier?

Ans. The location of supplier of mobile services cannot be the place of supply as the mobile companies are providing services in multiple states and many of these services are inter-state. The consumption principle will be broken if the location of supplier is taken as place of supply and all the revenue may go to a few states where the suppliers are located.

The place of supply for mobile connection would depend on whether the connection is on postpaid or prepaid basis.

In case of postpaid connections, the place of supply shall be the location of billing address of the recipient of service.

In case of pre-paid connections, the place of supply shall be the place where payment for such connection is received or such pre-paid vouchers are sold. However if the recharge is done through internet/e-payment the location of recipient of service on record shall be the taken as the place of service.

Q 6. A person in Goa buys shares from a broker in Delhi on NSE (in Mumbai). What will be the place of supply?

Ans. The place of supply shall be the location of the recipient of services on the records of the supplier of services. So Goa shall be the place of supply.

Q 7. A person from Mumbai goes to Kullu-Manali and takes some services from ICICI Bank in Manali. What will be the place of supply?

Ans. If the service is not linked to the account of person, place of supply shall be Kullu i.e. the location of the supplier of services. However if the service is linked to the account of the person, the place of supply shall be Mumbai, the location of recipient on the records of the supplier.

Valuation Mechanism

Importance of Valuation

Valuation is an important aspect in every taxation law. After the chargeability gets clear, then comes the valuation aspect. The law must contain specific provision for valuation covering each and every activity of chargeability. The judiciary has clearly rules that, when the valuation mechanism fails then the chargeability falls flat.

Hon'ble Supreme Court in the case of **CIT v. B C Srinivasa Setty [1981] 128 ITR 294 (SC)**, categorically answered the substantial question of law and holds that a transaction to which the valuation provisions cannot be applied must be regarded as never intended by charging section. The relevant para is reproduced below, in verbatim.

“Section 45 is a charging section. For the purpose of imposing the charge, Parliament has enacted detailed provisions in order to compute the profits or gains under that head. No existing principle or provision at variance with them can be applied for determining the chargeable profits and gains. All transactions encompassed by s.45 must fall under the governance of its computation provisions. A transaction to which those provisions cannot be applied must be regarded as never intended by s.45 to be the subject of the charge. This inference flows from the general arrangement of the provisions in the IT Act, where under each head of income the charging provision is accompanied by a set of provisions for computing the income subject to that charge. The character of the computation provisions in each case bears a relationship to the nature of the charge. Thus, the charging section and the computation provisions

together constitute an integrated code. When there is a case to which the computation provisions cannot apply at all, it is evident that such a case was not intended to fall within the charging section. Otherwise, one would be driven to conclude that while a certain income seems to fall within the charging section there is no scheme of computation for quantifying it. The legislative pattern discernible in the Act is against such a conclusion. It must be borne in mind that the legislative intent is presumed to run uniformly through the entire conspectus of provisions pertaining to each head of income. No doubt there is a qualitative difference between the charging provision and a computation provision. And ordinarily the operation of the charging provision cannot be affected by the construction of a particular computation provision. But the question here is whether it is possible to apply the computation provision at all if a certain interpretation is placed on the charging provision. That pertains to the fundamental integrality of the statutory scheme provided for each head."

The above proposition, depicting the substantial question of law that levy would fail if there is no valuation mechanism, is very well applicable to GST Law.

The same viewpoint has also been appreciated by Hon'ble High Court of Delhi in the latest judgment pronounced under service tax law in the case of SURESH KUMAR BANSA Vs UNION OF INDIA & ORS [2016-TIOL-1077-HC-DEL-ST]. In this case, the high court held that levy would fail if it does not provide for a mechanism to ascertain the value. The relevant para is reproduced below:-

"39. In the present case, we find that there is no machinery provision for ascertaining the service element involved in the composite contract. In order to sustain the levy of service tax on services, it is essential that the machinery provisions provide for a mechanism for ascertaining the measure of tax, that is, the value of services which are charged to service tax."

Thus, the substantial question of law is immensely clear that where the machinery provisions of valuation are not present, the levy of tax on such would be redundant.

Illustrative Issues

Following illustrative issues arise in valuation for GST. Suppose,

- *A telecom company charges Rs. 1000 for a monthly billing and charges Rs. 100 for late payment. Whether the valuation for GST should be Rs. 1000 or Rs. 1100.*

- *A person providing renting of immovable property services charges Rs. 50,000 for monthly rent and in addition separately charges Rs. 5000 for electricity payable to electricity companies, Rs. 2000 for property tax payable to municipality. In this case, whether the valuation for charging GST should be Rs. 50,000 or Rs. 55,000 or Rs. 57,000.*
- *A Builder charges Rs. 2 crores for a flat and in addition charges Rs. 5,00,000 for External Development Charges (EDC), Rs. 3,00,000 for parking and Rs. 5,00,000 for Primary Location Charges (PLC). In this case, whether the valuation for construction service should be Rs. 2 crores or Rs. 2.03 crores or Rs. 2.13 crores, etc.*
- *A Chartered Accountant charges Rs. 2 lac for audit and in addition charges Rs. 25,000 (on actual basis) for travelling, accommodation, incurred exclusively for such purpose. In this case, whether the valuation for charging GST should be Rs. 2 lacs or Rs. 2.25 lacs.*

Valuation in GST Law

All these aspects are discussed in Section 15 of CGST Act 2017, which speaks for the valuation mechanism. The GST Valuation Rules has also been released which will soon be finalised.

As per sub section (1) of aforesaid Section 15, the value of a supply of goods and/or services shall be the transaction value, subject to the condition that the supplier and the recipient of the supply are not related and price is the sole consideration for the supply. Thus, the price of supply must not be impacted due to relation and any other consideration in kind.

Sub section (2) of Section 15 further **requires the inclusion of following values** in determining the actual transaction value:-

- (a) **Any taxes, duties, cesses, fees and charges levied under any law** for the time being in force other than this Act, **the State Goods and Services Tax Act, the Union Territory 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 and/or services;
- (c) **Incidental expenses, such as, commission and packing**, charged by the supplier to the recipient of a supply, including any amount charged for anything done by the supplier in respect of the supply of goods and/or services at the time of, or before delivery of the goods or, as the case may be, supply of the 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 and State governments.** The amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.

Sub section (3) of Section 15 specifies that value of the supply shall not include any discount that is given:

- (a) **Before or at the time of the supply provided such discount has been duly recorded in the invoice** issued in respect of such supply; and
- (b) **After the supply has been effected, provided that:**
 - (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.**

Sub section (4) of Section 15 requires the provisions of GST Valuation rules to be followed when the circumstances specified below exists:-

- (i) The consideration is paid in Kind;
- (ii) The supplier and the recipient of the supply are related;
- (iii) There is reason to doubt the truth or accuracy of the transaction value declared by the supplier;
- (iv) Such other supplies as may be notified by the Central or a State Government in this behalf on the recommendation of the Council.

GST VALUATION RULES

Rule 1 of GST Valuation Rules

It applies where the consideration is not wholly in money. As per this rule, where the supply of goods or services is for a consideration not wholly in money, **the value of the supply shall,**

- (a) **Be the open market value of such supply;**
- (b) **If open market value is not available, be the sum total of consideration in money and any such further amount in money as is equivalent to the consideration not in money if such amount is known at the time of supply;**

- (c) **If the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality;**
- (d) **If value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money** and such further amount in money that is equivalent to consideration not in money as determined by application of rule 4 or rule 5 in that order.

Illustration:

- (1) *Where a new phone is supplied for Rs.20000 along with the exchange of an old phone and if the price of the new phone without exchange is Rs.24000, the open market value of the new phone is Rs 24000.*
- (2) *Where a laptop is supplied for Rs.40000 along with a barter of printer that is manufactured by the recipient and the value of the printer known at the time of supply is Rs.4000 but the open market value of the laptop is not known, the value of the supply of laptop is Rs.44000.*

Important Definition

“Open Market Value” of a supply of goods or services or both **means the full value in money**, excluding the integrated tax, central tax, State tax, Union territory tax and the cess **payable by a person in a transaction, where the supplier and the recipient of the supply are not related and price is the sole consideration**, to obtain such supply at the same time when the supply being valued is made.

Rule 2 of GST Valuation Rules

It applies in case of transaction between distinct or related persons, other than through an agent. As per this rule, value in such cases shall-

- (a) **Be the open market value of such supply;**
- (b) **If open market value is not available, be the value of supply of goods or services of like kind and quality;**
- (c) **If value is not determinable under clause (a) or (b), be the value as determined by application of rule 4 or rule 5, in that order:**

However, where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of goods or services.

Important Definition

“Supply of goods or services or both of like kind and quality” means any other supply of goods or services or both made under similar circumstances that, in respect of the characteristics, quality, quantity, functional components, materials,

and reputation of the goods or services or both first mentioned, is the same as, or closely or substantially resembles, that supply of goods or services or both.

Rule 3 of GST Valuation Rules

It determines the value in cases of supply of goods made or received through an agent. As per this rule, the value of supply of goods between the principal and his agent shall,-

(a) **Be the open market value of the goods being supplied, or**

At the option of the supplier;

Be 90% of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person, where the goods are intended for further supply by the said recipient;

Illustration: Where a principal supplies groundnut to his agent and the agent is supplying groundnuts of like kind and quality in subsequent supplies at a price of Rs.5000 per quintal on the day of supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of Rs.4550 per quintal. The value of the supply made by the principal shall be Rs.4550 per quintal or where he exercises the option the value shall be 90% of the Rs.5000 i.e. is Rs.4500 per quintal.

(b) **Where the value of a supply is not determinable under clause (a), the same shall be determined by application of rule 4 or rule 5 in that order.**

Rule 4 of GST Valuation Rules

It determines value of supply of goods or services or both based on cost.

As per this rule, Where the value of a supply of goods or services or both is not determinable by any of the preceding rules, the value shall be 110% of the cost of production or manufacture or cost of acquisition of such goods or cost of provision of such services.

Rule 5 of GST Valuation Rules

This rule is residual method for determination of value of supply of goods or services or both. As per this rule, where the value of supply of goods or services or both cannot be determined under rules 1 to 4, the same shall be determined using reasonable means consistent with the principles and general provisions of section 15 and these rules:

Rule 6 of GST Valuation Rules

This rule specifies the valuation mechanism in the following cases:-

- (1) The value of supply of **services in relation to purchase or sale of foreign currency, including money changing.** *(Value is more or less same as that of Service tax law)*
- (2) The value of supply of **services in relation to booking of tickets for travel by air provided by an air travel agent.** *(Value is more or less same as that of Service tax law)*
- (3) The value of supply of **services in relation to life insurance business.** *(Value is more or less same as that of Service tax law)*
- (4) **Where a taxable supply is provided by a person dealing in buying and selling of second hand goods** i.e. used goods as such or after such minor processing which does not change the nature of the goods and where no input tax credit has been availed on purchase of such goods, **the value of supply shall be the difference between the selling price and purchase price and where the value of such supply is negative it shall be ignored.**
- (5) **The value of a token, or a voucher, or a coupon, or a stamp** (other than postage stamp) which is redeemable against a supply of goods or services or both **shall be equal to the money value of the goods or services or both redeemable against such token, voucher, coupon, or stamp.**
- (6) The value of taxable services provided by such class of service providers as may be notified by the Government on the recommendations of the Council as referred to in Entry 2 of Schedule I between distinct persons as referred to in section 25, other than those where input tax credit is not available under sub-section (5) of section 17, shall be deemed to be NIL.

Rule 7 of GST Valuation Rules

This rule applies for value of supply of services in case of pure agent. *(Value is more or less same as that of Service tax law)*

Illustration. *Corporate services firm A is engaged to handle the legal work pertaining to the incorporation of Company B. Other than its service fees, A also recovers from B, registration fee and approval fee for the name of the company paid to Registrar of the Companies. The fees charged by the Registrar of the companies registration and approval of the name are compulsorily levied on B. A is merely acting as a pure agent in the payment of those fees. Therefore, A's recovery of such expenses is a disbursement and not part of the value of supply made by A to B.*

In this regard, the following FAQs are referred below for easy understanding of the topic:-

Q 1. What is the value of taxable supply to be adopted for the levy of GST?

Ans. The value of taxable supply of goods and services shall ordinarily be 'the transaction value' which is the actually the price paid or payable, when the parties are not related and price is the sole consideration. The GST Act further elaborates various inclusions and exclusions from the ambit of transaction value. For example, the transaction value shall not include discount allowed before or at the time of supply.

Q 2. What is transaction value?

Ans. Transaction value refers to the price actually paid or payable for the supply of goods and or services where the supplier and the recipient are not related and price is the sole consideration for the supply. It includes any amount which the supplier is liable to pay but which has been incurred by the recipient of the supply.

Q 3. Are there separate valuation provisions for CGST, SGST and IGST and Goods and Services?

Ans. No, section 15 is common for all three taxes and also common for goods and services.

Q 4. Is contract price not sufficient to determine valuation of supply?

Ans. Contract price is more specifically referred to as 'transaction value' and that is the basis for computing tax.

However, when the price is influenced by some factors like relationship of parties or certain transactions are deemed to be supply, which do not have a price, it is required to overcome these factors to determine the transaction value correctly.

Q 5. Is reference to Valuation Rules required in all cases?

Ans. No. Reference to Valuation Rules is required only in cases listed under section 15(4) i.e., where consideration payable is not money, or parties to the transaction are related.

Q 6. What is to be done if there are certain factors affecting price though the transaction is not covered by section 15(4)?

Ans. Section 15(2) provides the list of adjustments that may be made to make the price of a transaction reliable for purposes of determining tax payable.

Q 7. Can the transaction value declared under section 15(1) be accepted?

Ans. Yes, it can be accepted after examining for inclusions in section 15(2).

Q 8. When are Valuation Rules applicable?

Ans. Valuation Rules are applicable when (i) Consideration not in money terms; (ii) parties are related or supply by any specified category of supplier; and (iii) transaction value declared is not reliable.

Q 9. What are the reasons for doubting transaction value declared?

Ans. The reasons have been indicated in Rule 7(b) of the old draft GST Valuation Rules. It is:- (i) comparable supplies are at significantly higher value; (ii) transaction is at significantly lower or higher than market value of supplies; and (iii) mis-declaration in parameters like description, quantity, quality, year of make etc. The list is indicative and not exhaustive.

Q 10. What are the methods provided for determining the value, in terms of old draft GST Valuation Rules?

Ans. Three methods are prescribed under GST Valuation Rules for determining the transaction value i.e., comparative method, computation method and residual method, which are required to be followed sequentially. Besides, some specific valuation methods have been specified like in case of pure agents and money changers. Further specific rules may later be notified in case of Insurer, Air travel Agent and distributor or selling agents of lottery.

Input Tax Credit Mechanism

One of the key features of Goods and Service Tax (GST) in India is its uninterrupted and continuous chain of input tax credit (ITC). In the present indirect taxation system, cascading of tax is significant due to non-availability of ITC at various stages. For example ITC of CST, Entry Tax, Luxury Tax is not available. Similarly ITC of VAT is not available to manufacturers and service providers and ITC of Central Excise duty, service tax & CVD is not admissible to dealers in goods. Under GST law, ITC will follow supply chain not only in intra-State transactions but also in inter-State transactions. Moreover, credit of tax paid at the time of import of goods and services would also be creditable. This is expected to result into significant reduction in cascading of taxes.

Section 16 to Section 21 of the GST Act' 2017 passed on 12th April' 2017, comprehensively discusses the provisions relating to the input tax credit. **In the pre GST era**, the Cenvat Credit Rules' 2004 used to provide for the detailed provisions relating to the cenvat credit as far as Central excise and service tax is concerned. Thus, the major provisions relating to cenvat credit was handled by rules only. **However, in GST regime**, the provisions relating to the cenvat credit or we call it as input tax credit has been dealt by Section 16 along with other sections and read with various rules to be placed in public domain soon.

The GST law provides an elaborate mechanism for availment and utilization of ITC and seeks to impart clarity so as to minimize disputes.

Conditions necessary for obtaining ITC

As per Section 16(2) of the GST Act' 2017, following four conditions are stipulated:

- (a) He is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other taxpaying document(s) as may be prescribed;
- (b) He has received the goods and/or services;
- (c) 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:

Time limit for taking ITC

As per Section 16(4) of the GST Act, ITC cannot be taken beyond the month of September of the following FY to which invoice pertains or date of filing of annual return, whichever is earlier.

The underlying reasoning for this restriction is that no change in return is permitted after September of next FY. If annual return is filed before the month of September then no change can be made after filing of annual return.

Negative list on which Input Tax Credit is not permitted

Section 17 of the GST Act provides for the negative list with respect to the admissibility of ITC. It has been provided that the ITC on following items cannot be availed:

- (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 and services, namely,**
 - (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, 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 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 received by a taxable person for construction of an immovable property on his own account,** other than plant and machinery, even when used in course or furtherance of business;
The word "construction" includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the said immovable property.
- (e) **Goods and/or services on which tax has been paid under section 10; (i.e. Composition Scheme)**
- (f) **Goods or services or both received by a non-resident taxable person except on goods imported by him;**
- (g) **Goods and/or services 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 or 130. (i.e. Confiscation, demand, etc)**

Miscellaneous points for ITC

- (1) A person who has applied for registration under the Act within 30 days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take credit 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. **Thus, if the registration is not taken within 30 days, then the ITC on opening stock is not available.**

- (2) Where the goods and/or services are used by the registered taxable 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.**
- (3) Where the goods and / or services are used by the registered taxable person partly for effecting taxable supplies including zero-rated supplies and partly for effecting exempt supplies, **the amount of credit shall be reversed proportionate to the exempt supply.**
- (4) **A banking company or a financial institution** including a NBFC, engaged in extending loans or advances shall have the option to reverse proportionately or avail an amount equal to 50% of the eligible input tax credit on inputs, capital goods and input services.
- (5) Mechanism of distribution of credit by Input Service Distributor has been specified in Section 20 of GST Act' 2017.

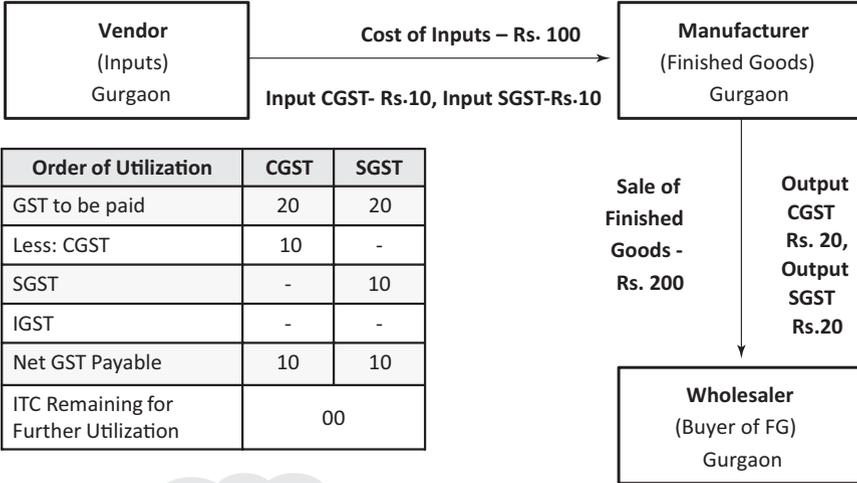
Tax Credit Mechanism

S. NO	AVAILMENT OF CREDIT ON	UTILIZATION FROM		
		First Option	Second Option	Third Option
1.	IGST	IGST	CGST	SGST
2.	CGST	CGST	IGST	SGST (Not Allowed)
3.	SGST	SGST	IGST	CGST (Not Allowed)

Thus, Inter-sectoral credit is not allowed for CGST and SGST

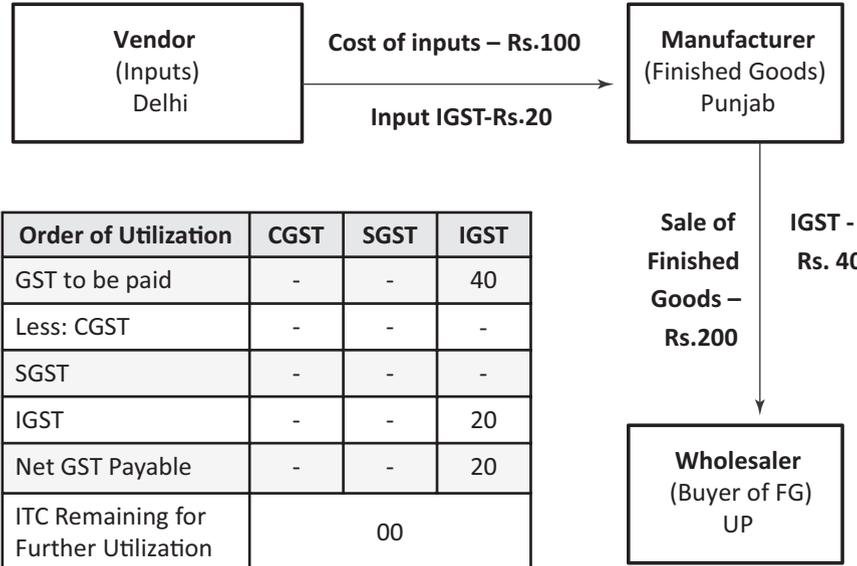
UTGST shall be treated as SGST

Illustration-1 ITC (within the State)



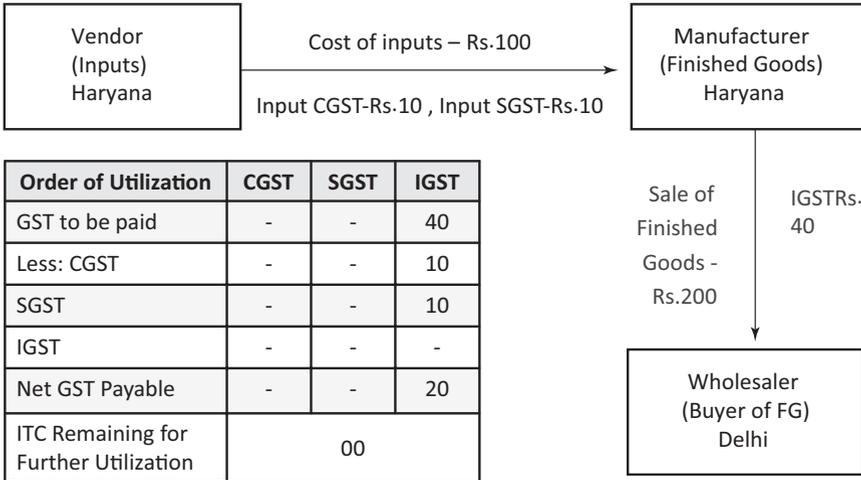
Assume CGST & SGST @ 10% each.

Illustration-2 (b/w different States)



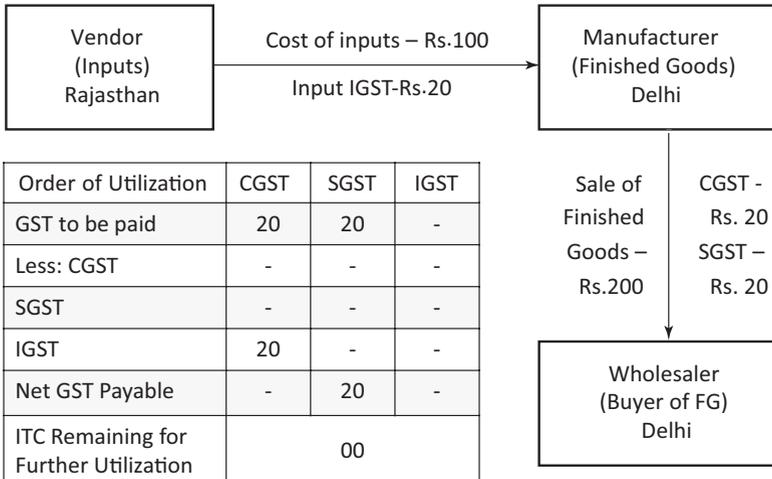
Assume CGST & SGST @ 10% each.

Illustration-3 Transaction (b/w different States)



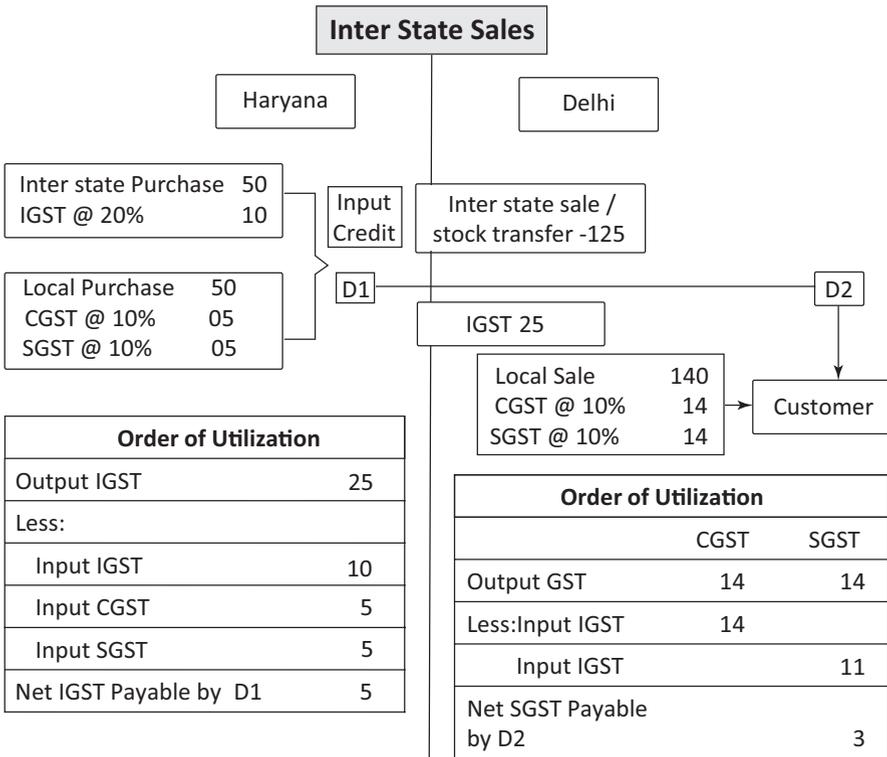
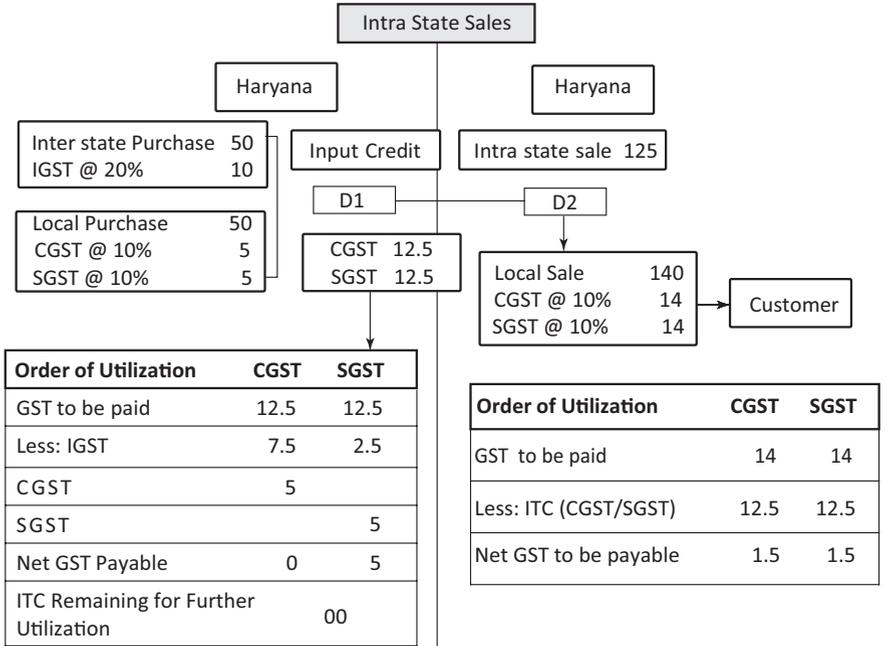
Assume IGST @ 20%

Illustration-4 (b/w different States)

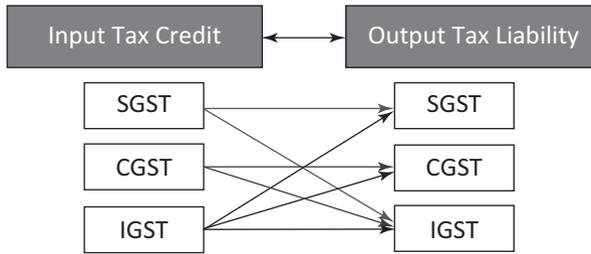


Assume CGST & SGST @ 10% each.

Scheme of Law (w.e.f. 01-02-2019)



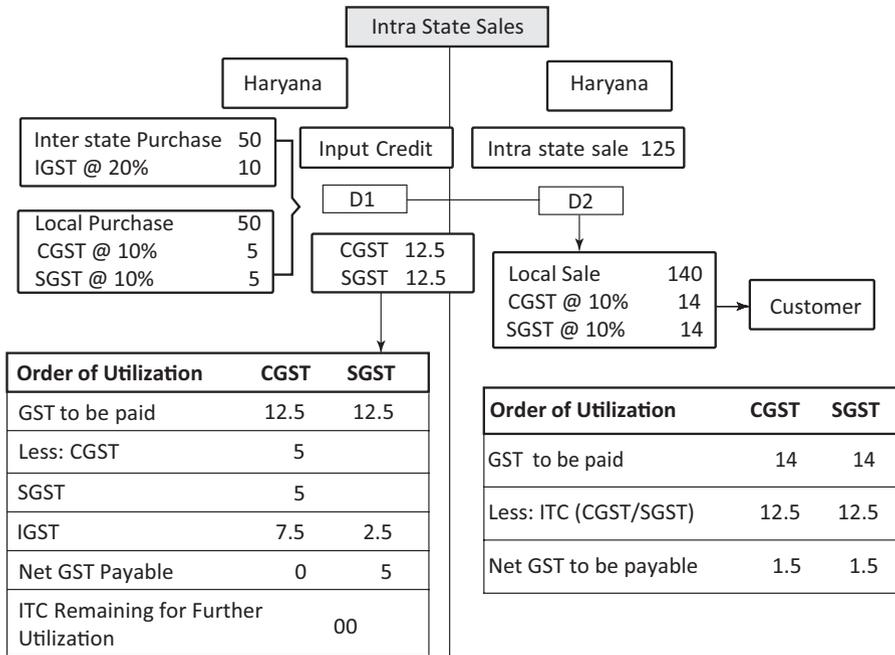
Utilization Mechanism (w.e.f. 01-02-2019)

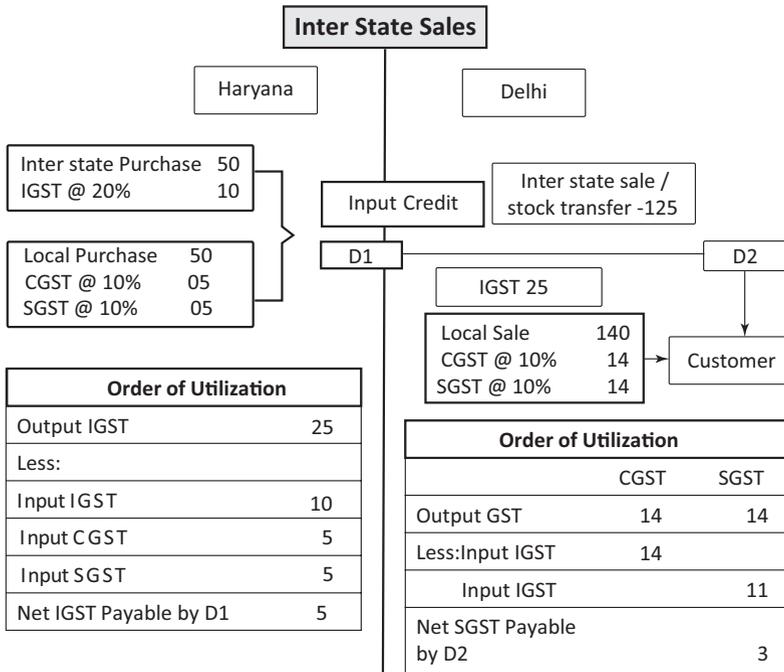


PREFERENCE TABLE FOR SET OFF (Matrix Diagram)

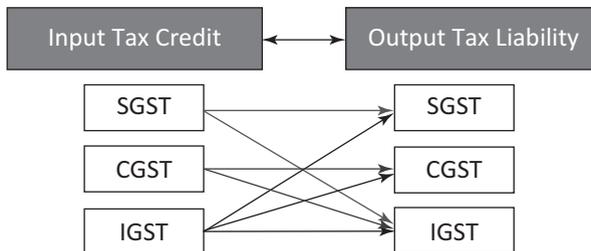
Credit	IGST	CGST	SGST
IGST	1	2	3
CGST	6	4	NA
SGST	7	NA	5

Scheme of Law (upto 31-01-2019)





Utilization Mechanism (upto 31-01-2019)



PREFERENCE TABLE FOR SET OFF (Matrix Diagram)

Credit	IGST	CGST	SGST
IGST	1	2	3
CGST	2	1	NA
SGST	3	NA	1

CHAPTER 12

Payment Mechanism

In modern day taxation regime, every transaction of the tax payer with the tax administration should be transparent, responsive and simple. It has been experience of tax administrations that more the system and procedures are made electronic more is the efficiency of tax administration and greater is the satisfaction of taxpayer. In this context, payment system of GST shall also be based on Information Technology which can handle both the receipt and payment processes.

Section 49 of the GST Act 2017 deals with the payment of tax, interest, penalty and other amounts. The Joint Committee on business processes for GST payment process had released its report in April 2015. The major features of the payments procedures under GST are as follows:

- (i) Electronic payment process- no generation of paper at any stage
- (ii) Single point interface for challan generation- GSTN
- (iii) Ease of payment – payment can be made through online banking, Credit Card/Debit Card, NEFT/RTGS and through cheque/cash at the bank
- (iv) Common challan form with auto-population features
- (v) Use of single challan and single payment instrument
- (vi) Common set of authorized banks
- (vii) Common Accounting Codes

Conditions for Collection

- **As per Section 9 of the GST Act' 2017, the collection of GST shall be made from the following persons:-**

General Rule: Liability on supplier of Goods and/or Services to pay GST

Full Reverse charge: Liability on Recipient of Goods and/or Services to pay GST under Reverse Charge Mechanism. [Section 9(3) read with Notification]

- **The manner of payment of GST liability shall be prescribed by way of Rules. Further the Joint Committee on business processes for GST has released its Report on GST Payments dated April' 2015 specifying various mechanism.**

The payment processes under proposed GST regime have the following features:

- (a) **Electronically generated challan from GSTN Common Portal in all modes of payment and no use of manually prepared challan;**
- (b) **Facilitation for the taxpayer by providing hassle free, anytime, anywhere mode of payment of tax;**
- (c) **Convenience of making payment online;**
- (d) **Logical tax collection data in electronic format;**
- (e) **Faster remittance of tax revenue to the Government Account;**
- (f) **Paperless transactions;**
- (g) **Speedy Accounting and reporting;**
- (h) **Electronic reconciliation of all receipts;**
- (i) **Simplified procedure for banks;**
- (j) **Warehousing of Digital Challan.**

With the above features in mind the following three modes of payment are proposed

- (a) **Payment by taxpayers through Internet Banking through authorized banks and through credit card/debit card;** (Section 45 of RBI Act, 1934 permit banks other than RBI to be appointed as agency banks for carrying out government business. Agency banks are permitted to both receive and make payments on behalf of the Government and therefore act as Banker to respective governments. However, authorized banks are only permitted to receive payment of GST on behalf of the Government, and keeping this distinction in view, the expression 'authorized bank' is used throughout this Document.)

- (b) **Over the Counter payment (OTC) through authorized banks;**
 (c) **Payment through NEFT/RTGS from any bank (including other than authorized banks).**

Mode of payment described at b) above will be available for payments up to Rs. 10,000/- per challan only. Model GST law may have suitable provisions in relation to this. However, there should not be any IT system constraints for this i.e. the systems should be able to receive payments through all three modes irrespective of the amount.

Other means of payment, such as payment by book adjustment as is presently being allowed by Government of India to some departments / State governments or payment **by debit to export scrips, while paying tax would not be allowed.** It is also noted that all taxpayers under Centre are paying taxes electronically and possibly the same situation exists in some State Tax administrations. It is desirable that under the GST regime, all taxpayers should gradually move to internet payment over an indicative time frame.

In this regard, the following FAQs are also referred below for understanding of the topic:-

Q 1. What are E-Ledgers?

Ans. Electronic Ledgers or E-Ledgers are statements of cash and input tax credit in respect of each registered taxpayer. In addition, each taxpayer shall also have an electronic tax liability register. Once a taxpayer is registered on Common Portal (GSTN), 2 e-ledgers (Cash & Input Tax Credit) and an electronic tax liability register will be automatically opened and displayed on his dashboard at all times.

Q 2. What is a tax liability register?

Ans. Tax Liability Register will reflect the total tax liability of a taxpayer (after netting) for the particular month.

Q 3. What is a Cash Ledger?

Ans. The cash ledger will reflect all deposits made in cash, and TDS/TCS made on account of the taxpayer. The information will be reflected on real time basis. This ledger can be used for making any payment on account of GST.

Q 4. What is an ITC Ledger?

Ans. Input Tax Credit as self-assessed in monthly returns will be reflected in the ITC Ledger. The credit in this ledger can be used to make payment of TAX ONLY and not other amounts such as interest, penalty, fees etc.

Q 5. What is TDS?

Ans. TDS stands for Tax Deducted at Source (TDS). As per section 51, this provision is meant for Government and Government undertakings and other notified entities making contractual payments in excess of Rs. 2.5 Lakhs to suppliers. While making such payment, the concerned Government/authority shall deduct 1% of the total payable amount and remit it into the appropriate GST account.

Q 6. How will the Supplier account for this TDS while filing his return?

Ans. Any amount shown as TDS will be reflected in the electronic cash ledger of the concerned supplier. He can utilize this amount towards discharging his liability towards tax, interest fees and any other amount.

Q 7. How will the TDS Deductor account for such TDS?

Ans. TDS Deductor will account for such TDS in the following ways:

1. Such deductors needs to get compulsorily registered under section 22 read with Section 24 GST Act' 2017.
2. They need to remit such TDS collected by the 10th day of the month succeeding the month in which TDS was collected and reported in GSTR 7.
3. The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier.
4. They need to issue certificate of such TDS to the deductee within 5 days of deducting TDS failing which fees of Rs. 100 per day subject to maximum of Rs. 5000/- will be payable by such deductor.

Q 8. What is Tax Collected at Source (TCS)?

Ans. This provision is applicable only for E-Commerce Operator under section 52 of GST Act' 2017. Every E-Commerce Operator needs to withhold a percentage (to be notified later on the recommendation of the GST Council) of the amount which is due from him to the supplier at the time of making actual payment to the supplier. Such withheld amount is to be deposited by such E-Commerce Operator to the appropriate GST account by the 10th of the next month. The amount deposited as TCS will be reflected in the electronic cash ledger of the supplier.

Registration under GST

The provisions of Registration are contained from Section 22 to Section 30 of the GST Act' 2017. As per the provisions, every person who is liable to be registered under this Act shall apply for registration in every such State in which he is so liable within 30 days. Registration of a business with the tax authorities implies obtaining a unique identification code from the concerned tax authorities so that all the operations of and data relating to the business can be agglomerated and correlated. In any tax system this is the most fundamental requirement for identification of the business for tax purposes or for having any compliance verification program. Registration under Goods and Service Tax (GST) regime will confer following advantages to the business:

- Legally recognized as supplier of goods or services.
- Proper accounting of taxes paid on the input goods or services which can be utilized for payment of GST due on supply of goods or services or both by the business.
- Pass on the credit of the taxes paid on the goods or services supplied to purchasers or recipients.

The Joint Committee on business processes for GST registration process had also released its report in July 2015 to outline the process of taking registration in GST by existing as well as new assessee.

Major features of the registration procedures under GST

Existing dealers: Existing VAT/Central excise/Service Tax payers will not have to apply afresh for registration under GST.

- (i) **New dealers:** Single application to be filed online for registration under GST.
- (ii) The registration number will be PAN based and will serve the purpose for Centre and State.
- (iii) Unified application to both tax authorities.
- (iv) Each dealer to be given unique ID GSTIN.
- (v) Deemed approval within three days.
- (vi) Post registration verification in risk based cases only.

COMPULSORY REGISTRATION

Normally registration is taken when the person crosses the basic threshold limit for paying GST, however, as per Section 24, the following categories of persons shall be required to be registered compulsorily irrespective of the threshold limit:

- (i) Persons making any inter-State taxable supply. Now, there is also an exemption provided to those suppliers who makes interstate supplies and whose aggregate turnover below Rs. 20 lakhs as per notification no.10/2017- integrated tax dated 13th October, 2017 (amended).
- (ii) Casual taxable persons making taxable supply;
- (iii) Persons who are required to pay tax under reverse charge;
- (iv) Person who are required to pay tax as Electronic Commerce Operator;
- (v) Non-resident taxable persons making taxable supply;
- (vi) Persons who are required to deduct tax (TDS) under section 51, whether or not separately registered under this Act;
- (vii) Persons who make taxable supply of 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.

Provisional Registration

As per Section 139 of the GST Act 2017, every person registered under any of the earlier laws and having a valid PAN shall be issued a certificate of registration on a provisional basis in such form and manner as may be prescribed.

The certificate of registration shall be granted on a final basis by the Central/State Government in manner as may be prescribed.

Advisory for migration

The GST common portal would reopen for migration on 25th June 2017. Assessee are required to complete the migration process before 30th September 2017. DG Systems is constantly compiling the provisional Id requests and sending them to GSTN for creation of Provisional IDs and pursuing with GSTN for issuance of PIDs and resolution of problems faced by registered taxpayers of Central Excise and Service Tax. **DG Systems would disseminate the Provisional IDs by or after 25th June 2017 to all the assesseees whose Provisional IDs were cancelled due to not being activated by them.** In the interim, following advisory is issued for the taxpayers and departmental officers for the frequently faced problems.

Also, any difficulty faced by the taxpayers while completing the enrolment process on www.gst.gov.in needs to be taken up with the helpdesk of GSTN.

Sr No.	Issue	Advisory
1	Provisional Id is awaited	Assessee needs to send a request to cbecmitra.helpdesk@icegate.gov.in and mention CE/ST registration number, PAN number, legal name as on PAN, trade name of assessee, state. DG Systems will compile the list and send to GSTN for issuance of PID. The Provisional IDs would be distributed among assesseees only after being provided by GSTN to DG Systems, CBEC.
2	RC cancelled	Assessee needs to send a request to cbecmitra.helpdesk@icegate.gov.in to reactivate the cancelled Provisional ID and mention the old Provisional ID issued earlier.
3	Centralised registrations: Provisional ID has not been issued for all the states.	PID will be issued to all addresses mentioned in Registration Certificate of ST. If all the premises are not mentioned in the ST2/RC, then RC needs to be

Sr No.	Issue	Advisory
		amended to include all these premises. Assessee need to apply for fresh GST registration on www.gst.gov.in after appointed date for those states which addresses are not added in RC. Same goes for new premises that would be set up anywhere else.
4	Unable to submit enrolment form with Digital Signature	Even if the Assessee is unable to submit the form, they may only complete the form and save it on www.gst.gov.in . ARN number of saved forms will be emailed to them after 15th June 2017 subject to validation of information supplied on GST common portal.
5	Provisional Id issued against wrong state / Assessee amended the state after the issuance of provisional Id	Assessee needs to write to cbecmitra.helpdesk@icegate.gov.in mentioning the state for which PID is required and mention CE/ST registration number, provisional ID, PAN number, legal name as on PAN, trade name of assessee, state. DG Systems will compile the list and send to GSTN for issuing new ID. The ID issued for the old state would be CANCELLED.
6	Provisional Id issued against a different registration number (e.g. PID issued against AAAAAA1234MST001 which is not in use instead of	<ul style="list-style-type: none"> Assessee needs to check his jurisdiction for the registration number against which the PID is issued on www.easiest-cbec.gov.in -> assessee code based search. Then apply to the concerned Range Superintendent to reset the password for the registration. Then access the old registration number and obtain the PID and password.
	AAAAA1234MST002 which is used by assessee)	<ul style="list-style-type: none"> Alternately, the Assessee may obtain the PID and Password from the concerned jurisdictional officer as same has also been shared with them through the Zonal Chief Commissioner Office. The Assessee then has to mention all his registered premises as additional premises in the enrolment form.

Sr No.	Issue	Advisory
7	Provisional Id activated by assessee but not completed migration by filling up enrolment form.	Assessee needs to complete the enrolment by completely filling up enrolment form and save it on www.gst.gov.in . ARN number of saved forms will be emailed to them after 15th June 2017 subject to validation of information supplied on GST common portal.
8	'No record found' when searched by RC/ ST2 number on www.gst.gov.in under link "check registration status"	Search using PAN instead of registration number. Still, if the result is not found, please write to cbecmitra.helpdesk@icegate.gov.in with all details such as registration number, PAN number, legal name as on PAN, business name, state for generation of PID.
9	Provisional Id is already mapped against a different user.	Complaints need to be registered with GSTN help desk on 0124-4688999 or helpdesk@gst.gov.in

Steps for obtaining final registration certificate

Mails being Received from the GSTN

Dear TaxPayer,

Thanks for enrolling on GST Common Portal by validating your email address and mobile number. As per provisions of Goods and Services Act 2017, you have been granted registration on provisional basis. The Certificate of Registration in Form GST Reg-25 is attached.

To get permanent registration, please fill up details electronically in Part-B of the Enrolment Form (GST REG-26) on the GST portal along with the information and documents specified therein. You may provide the information and documents during next three months. If you have already filled up part-B and submitted the enrolment form, you may ignore this message.

The next step in this journey will be the upload of invoice data and other data on GST portal for creation of Returns. You may do this on the portal online or use free Offline Tool developed by GSTN to upload the invoice/other data. The Offline Tool and associated Excel template will be released in next fifteen days on GST portal.

In case you face any problem while accessing the portal or conducting any business on it, please read the User Manual, FAQs or watch the videos (CBT),

which explain the processes in detail. In case that also does not help, please call our new helpdesk at 0120-4888999.

You can access your dashboard by providing your login details created at the time of enrolment.

Team GSTN

List of Documents required to be uploaded for Final Registration Certificate

S. No	List Of Documents
1.	<p>Photographs wherever specified in the Application Form</p> <ul style="list-style-type: none">• Proprietary Concern – Proprietor• Partnership Firm / Limited Liability Partnership – Managing/ Authorised Partners (personal details of all partners is to be submitted but photos of only ten partners including that of Managing Partner is to be submitted)• Hindu Undivided Family – Karta• Company – Managing Director or the Authorised Person• Trust – Managing Trustee• Association of Person or Body of Individual –Members of Managing Committee (personal details of all members is to be submitted but photos of only ten members including that of Chairman is to be submitted)• Local Body – Chief Executive Officer or his equivalent• Statutory Body – Chief Executive Officer or his equivalent• Others – Person in Charge
2.	<p>Constitution of business:</p> <ul style="list-style-type: none">• Partnership Deed in case of Partnership Firm,• Registration Certificate/Proof of Constitution in case of Society, Trust, Club, Government Department, Association of Person or Body of Individual, Local Authority, Statutory Body and Others etc.

3.	<p>Proof of Principal/Additional Place of Business:</p> <p>(a) For Own premises – Any document in support of the ownership of the premises like Latest Property Tax Receipt or Municipal Khata copy or copy of Electricity Bill.</p> <p>(b) For Rented or Leased premises – A copy of the valid Rent / Lease Agreement with any document in support of the ownership of the premises of the Lessor like Latest Property Tax Receipt or Municipal Khata copy or copy of Electricity Bill.</p> <p>(c) For premises not covered in (a) and (b) above – A copy of the Consent Letter with any document in support of the ownership of the premises of the Consenter like Municipal Khata copy or Electricity Bill copy. For shared properties also, the same documents may be uploaded.</p>
4.	<p>Bank Account Related Proof:</p> <ul style="list-style-type: none"> • Scanned copy of the first page of Bank passbook / one page of Bank Statement • Opening page of the Bank Passbook held in the name of the Proprietor / Business Concern – containing the Account No., Name of the Account Holder, MICR and IFSC and Branch details
5.	<p>For each Authorised Signatory:</p> <p>Letter of Authorisation or copy of Resolution of the Managing Committee or Board of Directors to that effect as specified.</p>

After submitting information electronic signature shall be required.

List of Documents for New GST Registration

1.	<p>Photographs (wherever specified in the Application Form)</p> <ul style="list-style-type: none">(a) Proprietary Concern – Proprietor(b) Partnership Firm / LLP – Managing/Authorized/Designated Partners (personal details of all partners are to be submitted but photos of only ten partners including that of Managing Partner are to be submitted)(c) HUF – Karta(d) Company – Managing Director or the Authorised Person(e) Trust – Managing Trustee(f) Association of Persons or Body of Individuals –Members of Managing Committee (personal details of all members are to be submitted but photos of only ten members including that of Chairman are to be submitted)(g) Local Authority – CEO or his equivalent(h) Statutory Body – CEO or his equivalent(i) Others – Person in Charge
2.	<p>Constitution of Business: Partnership Deed in case of Partnership Firm, Registration Certificate/Proof of Constitution in case of Society, Trust, Club, Government Department, Association of Persons or Body of Individuals, Local Authority, Statutory Body and Others etc.</p>
3.	<p>Proof of Principal Place of Business:</p> <ul style="list-style-type: none">(a) For Own premises – Any document in support of the ownership of the premises like latest Property Tax Receipt or Municipal Khata copy or copy of Electricity Bill.(b) For Rented or Leased premises – A copy of the valid Rent / Lease Agreement with any document in support of the ownership of the premises of the Lessor like Latest Property Tax Receipt or Municipal Khata copy or copy of Electricity Bill.(c) For premises not covered in (a) & (b) above – A copy of the Consent Letter with any document in support of the ownership of the premises of the Consenter like Municipal Khata copy or Electricity Bill copy. For shared properties also, the same documents may be uploaded.

	<p>(d) For rented/leased premises where the Rent/lease agreement is not available, an affidavit to that effect along with any document in support of the possession of the premises like copy of Electricity Bill.</p> <p>(e) If the principal place of business is located in an SEZ or the applicant is an SEZ developer, necessary documents/certificates issued by Government of India are required to be uploaded.</p>
4	<p>Bank Account Related Proof:</p> <p>Scanned copy of the first page of Bank passbook or the relevant page of Bank Statement or Scanned copy of a cancelled cheque containing name of the Proprietor or Business entity, Bank Account No., MICR, IFSC and Branch details including code.</p>
5	<p>Authorization Form:-</p> <p>For each Authorised Signatory mentioned in the application form, Authorization or copy of Resolution of the Managing Committee or Board of Directors to be filed in the following format:</p> <p>Declaration for Authorised Signatory (Separate for each signatory) (Details of Proprietor/all Partners/Karta/Managing Directors and whole time Director/Members of Managing Committee of Associations/Board of Trustees etc.)</p> <p>I/We --- (name) being (Partners/Karta/Managing Directors and whole time Director/Members of Managing Committee of Associations/Board of Trustees etc.) of (name of registered person)</p> <p>hereby solemnly affirm and declare that <<name of the authorized signatory, (status/designation)>> is hereby authorized, vide resolution no... dated..... (copy submitted herewith), to act as an authorized signatory for the business << GSTIN - Name of the Business>> for which application for registration is being filed under the Act. All his actions in relation to this business will be binding on me/ us.</p> <p style="text-align: right;">Signature of the person competent to sign</p> <p style="text-align: right;">Name:</p> <p style="text-align: right;">Designation/Status:</p> <p style="text-align: right;">(Name of the proprietor/Business Entity)</p>

Acceptance as an authorized signatory

I <<(Name of the authorized signatory)>> hereby solemnly accord my acceptance to act as authorized signatory for the above referred business and all my acts shall be binding on the business.

Signature of Authorised Signatory

Place

(Name):

Date:

Designation/Status:

Instructions for Amendment in Registration Certificate

1. Application for amendment shall be submitted online.
2. Changes relating to - Name of Business, Principal Place of Business, additional place(s) of business and details of partners or directors, karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for day to day affairs of the business which does not warrant cancellation of registration, are core fields which shall be approved by the Proper Officer after due verification.
3. For amendment in Non-Core fields, approval of the Proper Officer is not required.
4. Where a change in the constitution of any business results in change of the Permanent Account Number (PAN) of a registered person, the said person shall be required to apply for fresh registration.
5. Any change in the mobile number or the e-mail address of authorized signatory as amended from time to time, shall be carried out only after online verification through the Common Portal.
6. All information related to PAN, Aadhaar, DIN, CIN shall be validated online by the system and Application Receipt Number (ARN) will be generated after successful validation of necessary field.
7. Status of the application can be tracked on the Common Portal.
8. No fee is payable for submitting application for amendment.
9. Authorized signatory shall not be a minor.

Frequently Asked Questions (FAQs)

GST Migration

Q1. I am an existing PAN-based Service Tax (ST) and Central Excise (CE) assessee, and wish to enroll in GST. I have business premises and factories in the State of Telangana. Through the ACES portal, I received the Provisional ID and password for the State of Andhra Pradesh, whereas my Principle Place of Business is in Telangana.

A: Assessee situated in the State of “Telangana”, but incorrectly issued Provisional IDs and passwords for “Andhra Pradesh”, have now been issued new Provisional IDs and passwords for “Telangana”. The previous Provisional IDs and passwords issued for “Andhra Pradesh” have been cancelled, and can no longer be used for migrating to GST. You are requested to get new Provisional IDs and passwords through the ACES portal at www.aces.gov.in and complete the GST migration

process. In case of any difficulties, please contact the CBEC Mitra Helpdesk at cbecmitra.helpdesk@icegate.gov.in or call at the toll-free number 1800-1200-232.

Q2. I am an existing PAN-based Service Tax (Centralized registration) assessee, and wish to enroll in GST. I have multiple registered business premises in different States (i.e., 5 different States on the same PAN) from where services are provided. I have not received the Provisional IDs and passwords for all the different States (i.e., I have received the Provisional IDs and passwords for two States only).

A: On ACES portal, the Centralized Registration (CR) captures the address details (including State) of the assessee's registered business premises in a State, as well as, branches or many registered addresses in different States across the country from where services are provided.

As a policy, these assessees are issued only one Provisional ID and password for each State (across the CR premises and all branches). For example, an assessee having CR number ABCDE1234FSD002 is having business premises in Delhi, and branches in Haryana, Karnataka, Maharashtra and Tamil Nadu. In this case, the assessee is issued five Provisional IDs and passwords, one for each State.

The CR assessee may also have a factory (under Central Excise or CE registration) or a Service Tax (ST) single premises registration (independent of CR) in the State of Tamil Nadu (registration number ABCDE1234FXM001 or ABCDE1234FSD001). Then a Provisional ID and password for the State of Tamil Nadu will be issued against either the CE or ST registration number mentioned earlier. In this case, the CR assessee will get four Provisional IDs and passwords for the remaining States i.e. Delhi, Haryana, Maharashtra and Karnataka.

Q3. I am an existing taxpayer and wish to enroll in GST. To complete the Provisional Registration process on the GST Common Portal, I need to enter the one-time-password (OTP) in the OTP Verification window. However, I received the OTP on my mobile number, and not on my registered email ID.

A: For further assistance, please contact the GST helpdesk at helpdesk@gst.gov.in or call at 0124-4688999. To find the answer to your question, you can also refer to the Frequently Asked Questions or FAQs on the GST Common Portal.

Q4. I am an existing taxpayer and wish to enroll in GST. For migrating to GST, I created a new username and password on the GST Common Portal. However, I have forgotten the username (or password) created. When I tried to create a new username (or password), I received the message: "Provisional ID entered is already mapped to a user. Kindly login with a valid username".

A: For further assistance, please contact the GST helpdesk at helpdesk@gst.gov.in or call at 0124-4688999. To find the answer to your question, you can also refer to the Frequently Asked Questions or FAQs on the GST Common Portal.

Q5. I am an existing taxpayer and wish to enroll in GST. I have received the Provisional ID and password. On the Login page of the GST Common Portal, I entered the Provisional ID and password. After clicking the LOGIN button, I received the message: “User name or password is not valid. Please ensure that enrollment for your State has started”.

A: For further assistance, please contact the GST helpdesk at helpdesk@gst.gov.in or call at 0124-4688999. To find the answer to your question, you can also refer to the Frequently Asked Questions or FAQs on the GST Common Portal.

Q6. I am an existing taxpayer and wish to enroll in GST. I received the Provisional ID and password for migrating to GST. On the GST Common Portal, on the Login page, I entered the Provisional ID and password in the respective fields. After clicking the LOGIN button, I got the message: “Not activated”.

A: For further assistance, please contact the GST helpdesk at helpdesk@gst.gov.in or call at 0124-4688999. To find the answer to your question, you can also refer to the Frequently Asked Questions or FAQs on the GST Common Portal.

Q7. I am an existing PAN-based Service Tax (ST), Central Excise (CE) and State VAT assessee. I received the Provisional ID and password from the State VAT. While migrating to GST through VAT on the GST Common Portal, I did not add my ST and CE details in the Enrolment Application.

A: The facility to add existing registrations in the Enrolment Application is available on the GST Common Portal. You can add the remaining registrations at the time of enrolment under GST. However, if you have submitted the Enrolment Application with DSC or E-sign without adding the remaining registrations, and have already received the Application Reference Number (ARN), you will not be able to add the remaining registrations now. You will be able to add or remove the other registrations in the Enrolment Application only after the appointed date (i.e., date of implementation of GST) through the process of amendment (non-core).

Q8. I am an existing PAN-based Service Tax (ST), Central Excise (CE) and State VAT assessee. I did not receive the Provisional ID and password for migrating to GST.

A: You may have multiple registrations under the State VAT department. For further investigation, please contact CBEC Mitra Helpdesk at cbecmitra.helpdesk@

gst.gov.in or call at the toll-free number 1800-1200-232. When requesting help, please provide your registration details to CBEC Mitra Helpdesk. CBEC Mitra Helpdesk will notify you as soon as the issue is resolved.

Q9. I am an existing PAN-based Service Tax (ST), Central Excise (CE) and State VAT assessee. For migrating to GST, I received the Provisional ID and password from the State VAT department. Do I also need to add my ST and CE registration details in the Enrolment Application also?

A: Yes, you must add your Service Tax (ST) and Central Excise (CE) registration details in GST FORM-20 on the GST Common Portal.

Note: Since GST registration is based on PAN and State, only one Provisional ID and password will be issued to a given PAN for a given State, irrespective of the number of registrations on that PAN within the State. In case the assessee wishes to enroll in GST for the other registrations as well, the details of these registrations (addresses of premises) may be included as 'Additional Place of Business'.

Q10. I am an existing PAN-based Service Tax (ST) and Central Excise (CE) assessee. After logging into the ACES portal, under SERVICE TAX, the Provisional ID is showing "Awaited".

A: If you are already registered as a Central Excise (CE) or Service Tax (ST) assessee on the ACES portal, after 31.01.2017, then your Provisional ID and password for migrating to GST has not yet been generated. You are advised to wait for the same. Any updates on issuance of Provisional IDs and passwords, to such assessees, will be published on both the CBEC and ACES websites. So, please checking the status of your registration at www.cbec.gov.in and www.aces.gov.in.

Q11. I am an existing taxpayer and wish to enroll in GST. My previous registration number was ST001 and after cancellation (or surrender), my current registration number is ST002. However, a Provisional ID and password has been issued against my previous registration number ST001. I logged into the ACES portal (using my existing ACES username and password), and received the Provisional ID and password for my previous registration number ST001, but not for the current registration number ST002.

A: As a policy, if the assessee has multiple registrations within a State on the same PAN, only one Provisional ID and password will be issued, as per the following order: Only one Provisional ID and password will be issued to a given PAN within a State, irrespective of the number of registrations on that PAN within that State.

Apparently, you have more than one registration i.e., ST001 and ST002, of which registration number ST001 is either "Inactive" or "Surrendered". However, as per CBEC guidelines, a Provisional ID and password has already been allotted against

the registration number ST001. For further assistance, please contact CBEC Mitra Helpdesk at cbecmitra.helpdesk@gst.gov.in or call at the toll-free number 1800-1200-232, and provide your registration details (both earlier and current registration numbers).

Note: As per the ACES website, the registration number ST001 is “Active” and thus eligible for issuance of Provisional ID and password.

Q12. I am an existing taxpayer and wish to enroll in GST. I have received the Provisional ID and password. On the GST Common Portal, I entered the Provisional ID and password in the respective fields. After clicking the LOGIN button, I received the message: “Provisional ID is invalid”.

A: Firstly, clear your web browser’s cache i.e., delete your browsing history, and then sign into the GST Common Portal again. You will receive a 10-digit access token (or password) along with the Provisional ID. In case you have received an access token of less than 10 digits, please insert a “0” or zero as prefix to the token i.e., if you received an access token of “12345678”, then the corrected token number is “0012345678”. If the issue persists, please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999 for further assistance. When you send your service request over email or phone, a support ticket is registered with GST Helpdesk and the issue is forwarded to the appropriate technical team for analysis and resolution.

Q13. I am an existing taxpayer and wish to enroll in GST. I received the Provisional ID and password for migrating to GST. On the GST Common Portal, on the Login page, I entered the Provisional ID and password in the respective fields. After clicking the LOGIN button, I got the message: “Not activated”.

A: Multiple causes may have contributed to this problem. For further investigation, please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999. When you send your service request over email or phone, a support ticket is registered with GST Helpdesk and the issue is forwarded to the appropriate technical team for analysis and resolution.

Q14. I am an existing taxpayer and wish to enroll in GST. For enrolment under GST, I want to create a new username and password. However, I have not received the one-time- password (OTP) on my registered mobile number. The problem continued even after I clicked the “RESEND OTP” button on the GST Common Portal.

A: Your mobile number may be registered for Do Not Disturb (DND) services, due to which the OTP cannot not be delivered. You are advised to de-activate DND services from your mobile network. Once de-registered, you must redo the entire

process of registration on the GST Common Portal. If the problem persists, please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999 for further investigation.

Q15. I am an existing taxpayer and wish to enroll in GST. For enrolment under GST, I wanted to create a new username and password. However, I have not received the one-time-password (OTP) on my registered email. The problem continued even after I clicked the “RESEND OTP” button on the GST Common Portal.

A: The one-time-password (OTP) may have been delivered to the spam folder of your registered email ID. Please check the spam folder of your email account. If you find the OTP in the spam folder, please change the spam-filter policy settings of your email account to allow legitimate emails sent by GSTN.

This will ensure that a future OTP sent by GSTN is not marked or filtered as spam. If you do not find the OTP in the spam folder, please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999 for further investigation. When you send your service request over email or phone, a support ticket is registered with GST Helpdesk and the issue is forwarded to the appropriate technical team for analysis and resolution.

Q16. I am an existing taxpayer and wish to enroll in GST. While submitting GST FORM-20 with DSC, I received the error message: “DSC is not registered with authorised signatory”.

A: Please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999 for further investigation. When you send your service request over email or phone, a support ticket is registered with GST Helpdesk and the issue is forwarded to the appropriate technical team for analysis and resolution.

Q17. I am an existing taxpayer and wish to enroll in GST. I have submitted the Enrolment Application i.e., GST FORM-20 on the GST Common Portal. However, I have not received the Application Reference Number (ARN) through email with all details.

A: Please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999 for further investigation. When you send your service request over email or phone, a support ticket is registered with GST Helpdesk and the issue is forwarded to the appropriate technical team for analysis and resolution.

Q18. I am an existing taxpayer and wish to enroll in GST. On submitting the Enrolment Application i.e., GST FORM-20 on the GST Common Portal, I received the message: “Submitted & Pending for verification”.

A: Please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999 for further investigation. When you send your service request over

email or phone, a support ticket is registered with GST Helpdesk and the issue is forwarded to the appropriate technical team for analysis and resolution.

Q19. I am an existing taxpayer and wish to enroll in GST. On the GST Common Portal, while filing GST FORM-20, the desired RANGE CODE is not appearing in the drop-down list.

A: Please contact the GST Helpdesk at helpdesk@gst.gov.in or call at 0124-4688999 for further investigation. When you send your service request over email or phone, a support ticket is registered with GST Helpdesk and the issue is forwarded to the appropriate technical team for analysis and resolution.

Frequently Asked Question for Enrolment of the Existing Taxpayer on the GST System Portal (Issued by GSTN)

Part-A: General Information

1. Who is an existing taxpayer?

An existing taxpayer is an entity currently registered under any of the Acts as specified below:-

- (a) Central Excise
- (b) Service Tax
- (c) State Sales Tax / VAT (except exclusive liquor dealers if registered under VAT)
- (d) Entry Tax
- (e) Luxury Tax
- (f) Entertainment Tax (except levied by the local bodies)

2. What does the word 'enrolment' under GST system portal mean?

Enrolment under GST means validating the data of existing taxpayers and filling up the remaining key fields.

3. Do I need to enroll for GST?

All existing taxpayers registered under any of the Acts as specified in Q1 will be transitioned to GST. Enrolment for GST will ensure smooth transition to GST regime. The data available with various tax authorities is incomplete and thus fresh enrolment has been planned. Also, this will ensure latest data is available in GST Database without any recourse to amendment process, which is the norm to update the data under tax statutes today.

4. Why do I need to enroll myself as a user on the GST System Portal?

GST System portal has been created for this purpose as no paper based enrolment will be allowed.

You need to enroll as a user on the GST system portal, so that you may be enabled as a registrant for GST Compliance requirement viz. return filling, tax payment, etc.

5. When do I need to enroll with the GST Systems Portal?

The taxpayers registered under any Acts as specified under Q1 are required to enroll at GST System Portal. State VAT and Central Excise can start enrolling from October, 2016 on GST System Portal as per plan indicated on GST System portal. The taxpayers registered under Service Tax will be enrolled on a later date for which separate intimation will be sent.

6. Is there any concept of deemed enrolment on GST System Portal?

No. There is no deemed enrolment on GST system portal. All the taxpayers registered under any of the Acts as specified in Q1, are expected to visit the GST System Portal and enroll themselves.

7. Is there any fee/charge levied for the enrolment on GST System Portal?

No. There is no fee/charge levied for the enrolment of a taxpayer with GST System Portal.

8. Is the enrolment process different for taxpayers registered under Centre /State/UT tax Acts as specified in Q1?

No. The enrolment process is common for all taxpayers registered under Centre / State/UT tax Acts as specified in Q1.

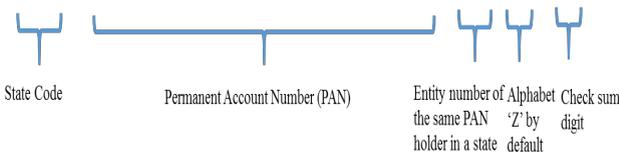
9. Are taxpayers required to enroll separately with Central and State authorities under GST?

No, any person who wants to seek enrolment under the GST Act has to apply on the GST System Portal. Enrolment under the GST is common for both Central GST and the State GST. There will be common registration, common return and common Challan for Central and State GST.

10. What is the format of Provisional ID?

Format of GSTIN

22 AAAAAA0000A 1 Z 5



11. What information should be readily available with me before I begin to enroll with GST?

Before enrolling with GST System Portal, you must ensure to have the following information/ documents available with you:-

- (i) Provisional ID received from State/Central Authorities;
- (ii) Password received from the State/Central Authorities;
- (iii) Valid Email Address;
- (iv) Valid Mobile Number;
- (v) Bank Account Number
- (vi) Bank IFSC

Documents

- a) Proof of Constitution of Business :
 - (i) In case of Partnership firm: Partnership Deed of Partnership Firm (PDF and JPEG format in maximum size of 1 MB)
 - (ii) In case of Others: Registration Certificate of the Business Entity (PDF and JPEG format in maximum size of 1 MB)
- b) Photograph of Promoters/ Partners/Karta of HUF (JPEG format in maximum size of 100 KB)
- c) Proof of Appointment of Authorized Signatory (PDF and JPEG format in maximum size of 1 MB)
- d) Photograph of Authorized Signatory (JPEG format in maximum size of 100 KB)
- e) Opening of Bank Passbook / Statement containing Bank Account Number of < Account Number>, Address of Branch, Address of Account holder and few transaction details (PDF and JPEG format in maximum size of 1 MB)

Part-B: System Specific Information

12. Which username do I need to provide during first time login. Can I use the same username and password which I used to login as State registrant?

For the first time login, you need to provide username and password that you received from the State VAT/Centre Tax Department. For subsequent login, you need to enter username and password as created by you while enrolling with GST System Portal.

13. What user ID can I choose after first login?

You may choose any user ID of your choice, provided it is available in the database while you are registering.

14. I have not received my username and password to apply for enrolment with GST. What do I do now?

In case you have not received your user name and password, you can contact your jurisdictional State/Centre authorities.

15. Can I give email address and mobile number of my Tax Professional during enrolment with GST?

No, you should not give the email address and mobile number of Tax Professional or anyone else. You MUST provide the email address and mobile number of the primary Authorized Signatory appointed by you or yourself. All future correspondence / communication from the GST System Portal will be sent on the registered mobile Number and email address only.

Tax professionals will be given separate user ID and password from GST system and they will provide their own email Id and mobile number for that purpose.

16. Who can be the Primary Authorized Signatory?

A Primary authorized signatory is the person who is primarily responsible to perform action on the GST System Portal on behalf of taxpayer. All communication from the GST System Portal relating to taxpayer will be sent to him. For example:- in case of proprietor, the proprietor himself or any person authorized by him, in case of partnership any of the partner authorized or any person authorized, in case of Company/LLP, Society, Trust, the person who is authorized by Board or Governing Body etc. can act as Primary authorized signatory. Copy of authorization needs to be uploaded.

In case of multiple authorized signatory for single business entity, one authorized signatory should be designated as primary authorized signatory and email and mobile number of that person shall be provided at the enrolment.

In case of single authorized signatory for a business entity, he shall be assumed as primary authorized signatory for that business entity.

17. How long the OTP is valid?

The OTP sent to your email address and mobile number is valid for <15> minutes. It expires after 15 minutes.

18. I have not received the OTP on my mobile? What do I do now?

Your OTP would be sent on your registered mobile number and e mail address on GST System Portal. If you have not received the OTP within 15 minutes, you may choose to receive it again by clicking the RESEND OTP button.

19. What if I don't receive the OTP even after clicking the RESEND OTP button?

If you do not receive the OTP via SMS on your mobile number even after clicking the RESEND OTP button, please verify if the mobile number provided by you is correct. If you do not receive the OTP on your email address even after clicking the RESEND OTP button, please verify that your email address entered is correct and the Internet and mobile network are available.

20. Why I have received two One Time Passwords (OTPs) for email and mobile?

Separate OTPs are sent to on email address and mobile number to validate them. Thus two separate OTPs are sent.

All future correspondence from the GST System Portal will be sent on the registered email address and mobile number only. Therefore, there is need to validate both mobile number and email address.

21. I have received OTP in my mobile. I have entered the same OTP in the OTP verification for Email OTP and Mobile OTP. Are these OTPs different?

You must have received two different One Time Passwords (OTPs) on your email address and mobile number. Enter the OTP received on your email address and mobile number in the Email OTP and Mobile OTP fields respectively. If you have entered same OTP in both of your email and mobile OTP fields, your validation would be failed with error message.

22. Which details are prefilled in the enrolment application for enrolling with GST?

Following details are auto-populated in the enrolment application based on your existing data:

- PAN of the Business
- Legal Name of Business
- State
- Reason of liability to obtain registration
- Email Address and Mobile number of primary Authorized Signatory entered during enrolling with GST System Portal.

23. What does the red asterisk (*) appearing besides the fields in the enrolment application indicate?

Red asterisk (*) indicates mandatory field. Any field marked with the red asterisk need to be filled in necessarily to proceed ahead with the enrolment application.

24. Can I make changes in in my Legal Name, State Name and PAN in the enrolment application?

You cannot make changes to Legal Name, State name and PAN as appearing in the enrolment application. These details have been migrated from existing tax systems of State or Center, as the case may be.

25. How to find out my State Jurisdiction?

Refer your VAT Registration Certificate to find your State Jurisdiction. It is the same jurisdiction as given in your existing VAT Registration Certificate.

26. How to find out my Ward / Circle / Sector No?

Refer to your VAT Registration Certificate to find your Ward / Circle / Sector No. It is the same ward /Circle/ Sector where you are registered.

27. How to find out my Center Jurisdiction?

If you are registered with Central Excise, refer the Registration Certificate to find your Centre Jurisdiction.

If you are only a VAT registered dealer, you need to find your central jurisdiction based on the address of your Principal place of Business. You may visit CBEC website www.cbec.gov.in for details (refer URL - http://www.cbec.gov.in/resources//htdocs-cbec/deptt_offcr/cadre-restruct/cadre-restructg-notifications.pdf).

28. I am not able to upload any document. Why?

You first need to check your internet connectivity. You should also ensure that the format of document must be either PDF or JPEG with maximum size of 1 MB. In case of photographs, the format should be in JPEG and maximum size allowed is 100 KB.

29. I filled all the details in the Business Details while filling the form. But now all the fields are appearing blank. Why?

You need to save every after filling all the details. Click the Save & Continue button at the bottom of the to save the entered details and then proceed further to enter details in the other tabs.

30. What is DIN?

DIN stands for Director Identification Number given to Directors of a Company by Ministry of Corporate Affairs. To know your DIN, refer your DIN allotment letter issued by Ministry of Corporate Affairs or visit the MCA portal - www.mca.gov.in.

31. I don't have my Aadhaar Number. Is it mandatory to provide the Aadhaar Number?

For filing of enrolment application Aadhaar is not mandatory. However, at the time of submission of your enrolment application at GST System Portal, you would be required to use DSC or Aadhaar based E-Signing.

32. What is Principal Place of Business?

Principal Place of Business is the primary location within the State where a taxpayer's business is performed. The principal place of business is generally where the business's books of accounts and records are kept and is often where the head of the firm or at least top management is located.

33. What is Additional Place of Business?

Additional Place of business is the place of business where taxpayer carries out business related activities within the State, in addition to the Principal Place of Business.

34. What is HSN and SAC code?

HSN stands for Harmonized System of Nomenclature which is internationally accepted product coding system to maintain uniformity in classification of goods. Service Accounting Codes (SAC) are adopted by the Central Board of Excise and Customs (CBEC) for identification of the services.

35. Which bank account should I provide while enrolling with GST System Portal?

The Bank accounts used for the purpose of carrying out business transactions must be provided while enrolling with GST System Portal.

36. I have more than one bank account. Can I add all of them while enrolling with GST System Portal?

You can add maximum of 10 Bank accounts while enrolling with GST System Portal.

37. Is DSC mandatory for enrolment?

DSC is mandatory for enrolment by Companies, Foreign Companies, Limited Liability Partnership (LLPs) and Foreign Limited Liability Partnership (FLLPs).

For other taxpayers, DSC is optional.

38. My DSC is not registered with GST System Portal? Will I be able to submit my enrolment application with DSC?

You cannot submit the enrolment application if your DSC is not registered with GST System Portal. Therefore, you need to register your DSC on GST System Portal by clicking "register your DSC".

39. How can I register my DSC with GST Portal?

If you have valid DSC, you can visit GST System Portal and click on "Register your DSC" link. The PAN of the DSC holder should match with the PAN database of the CBDT. After validation the user should select the certificate link which is to be registered. Only class -2 or Class 3 DSC can be registered in the GST System Portal.

40. What is E-Sign? How does it work?

E-Sign stands for Electronic Signature. E-Sign is an online electronic signature service to facilitate an Aadhaar holder to digitally sign a document. If the Applicant opts to electronically sign using the E-Sign service, the following actions are performed:-

Taxpayer need to click on “E sign” button.

System will ask to enter Aadhaar number of Authorized signatory.

1. After validating the Aadhaar Number, the GST system Portal will send a request to UIDAI system to send a One Time Password (OTP).
2. UIDAI system will send OTP to email address and mobile number registered against Aadhaar number.

System will prompt user to enter OTP.

The user will enter the OTP and submit the document. The e-Signing process is complete.

41. Is there any charge applicable on submission of the application for enrolment?

No, there is no charge applicable on submission of the application for enrolment with GST System Portal.

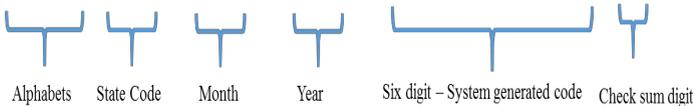
42. What is ARN?

ARN is the Application Reference Number generated after the submission of the enrolment application with E-Sign or Digital Signature (DSC). It is a unique number assigned to each transaction completed at the GST System Portal. Note the ARN can be used for future correspondence with GSTN

43. What is the format of ARN?

Format of ARN

AA 07 07 16 000000 1



44. I am an existing taxpayer registered under Central Excise/ Service Tax and State VAT legislations. I have successfully submitted the details sought by GSTN as per application prescribed under model GST Law. What will happen next?

Application Reference Number (ARN) will be generated after the successful submission of the enrolment application at the GST System Portal. You can use this ARN to track the status of your application.

45. I have not yet received the Application Reference Number (ARN). What should I do now?

If you don't receive ARN within 15 minutes, an email will be sent to you with detailed instructions for further course of action.

46. While entering the details, internet connection was lost. How can I retrieve the saved enrolment form?

To retrieve the saved enrolment form, login to the GST System Portal with valid credentials. Go to Dashboard > My Saved Application menu. Click the Edit button to retrieve the saved enrolment form.

47. I got an email that there is a mismatch during PAN validation. What should I do now?

You need to login to the GST System Portal and fill the details as per your PAN details and resubmit the enrolment application.

48. My DSC has expired / revoked? What do I do now?

You need to re-register your valid DSC with GST. Login to the GST System Portal with valid credentials. Go to Dashboard > Register / Update DSC menu. In case of revocation, another valid DSC has to be registered with GST System Portal.

49. Is there any Help Desk Facility available?

Yes, Help Desk facility will be available and it will be displayed on the GST System Portal

Part-C: Activities after appointed date

50. Can application for enrolment get rejected?

Yes, the application for enrollment with GST System Portal can be rejected in case you have furnished/uploaded wrong or fake or incorrect document with your DSC or E- Sign. However, the applicant will be provided reasonable opportunity of being heard where applicant taxpayer can present his/her viewpoints.

51. Can I make amendments after I submit the enrolment application?

You can make amendments to the enrolment application from appointed date onwards.

52. Can I change mobile no. and email id as given at the time of enrolment?

You can change mobile no. and email id as given at the time of enrolment application after appointed date onwards through amendment process.

53. When will I get Provisional Registration Certificate?

It will be available on your dashboard on the appointed date if you have filled enrolment application successfully.

54. When will I get Final Registration Certificate?

The final Registration Certificate will be provided to you after verification of documents (within 6 months) by proper officer(s) center/state of concerned jurisdiction (s) after appointed date.

Part-D: Miscellaneous

55. I have multiple businesses in one state under the same PAN. Do I need to enroll each business separately with GST?

As one PAN allows one GST Registration in a state, you may register one business entity first. For the remaining business verticals within the State please get in touch with your jurisdictional authority.

56. What is ISD Registration?

ISD stands for Input Service Distributor. An Input Service Distributor means the person who distributes credit, in respect of the tax invoices of the services received at the head office, to its branches where the services have been supplied actually. Tax invoice here means, the invoice issued under section 23 of the Model Goods and Services Act, if you are an existing ISD Taxpayer, you need to apply afresh in the GST System Portal for the State where you desire to seek registration. For that you need to inform your Central jurisdictional authority.

In this regard, the following general FAQs are also referred below for easy understanding of the topic:-

Q 1. Can a person without GST registration claim ITC and collect tax?

Ans. No. A person without GST registration can neither collect GST from his customers nor claim any input tax credit of GST paid by him.

Q 2. What will be the effective date of registration?

Ans. Where the application for registration has been submitted within thirty days from the date on which the person becomes liable to registration, the effective date of registration shall be date of his liability for registration.

Where an application for registration has been submitted by the applicant after 30 days from the date of his becoming liable to registration, the effective date of registration shall be the date of grant of registration.

In case of suomoto registration, i.e. taking registration voluntarily while being within the threshold exemption limit for paying tax, the effective date of registration shall be the date of order of registration.

Q 3. Who are the persons liable to take a Registration under the Model GST Law?

Ans. Any supplier who carries on any business at any place in India and whose aggregate turnover exceeds threshold limit as prescribed in a year is liable to get himself registered. However, certain categories of persons mentioned in Section 24 are liable to be registered irrespective of this threshold.

Q 4. What is aggregate turnover?

Ans. As per section 2 (6) of the GST Act' 2017, aggregate turnover includes the aggregate value of

- (i) All taxable supplies,
- (ii) Exempt supplies, and
- (iii) Exports of goods and/or service of a person having the same PAN.

The above shall be computed on all India basis and excludes taxes charged under the CGST Act, SGST Act and the IGST Act.

Aggregate turnover does not include value of supplies on which tax is levied on reverse charge basis, and value of inward supplies.

Q 5. What is the time limit for taking a Registration under Model GST Law?

Ans. Any person should take a 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.

Q 6. If a person is operating in different states, with the same PAN number, whether he can operate with a single Registration?

Ans. No. Every person who is liable to take a Registration will have to get registered separately for each of the States where he has a business operation and is liable to pay GST in terms of Sub-section (1) of Section 22 of GST Law.

Q 7. Whether a person having multiple business verticals in a state can obtain for different registrations?

Ans. Yes. In terms of Sub-Section (2) of Section 25, a person having multiple business verticals in a State may obtain a separate registration for each business vertical, subject to such conditions as may be prescribed.

Q 8. Is there a provision for a person to get himself voluntarily registered though he may not be liable to pay GST?

Ans. Yes. In terms of Sub-section (3) of Section 25, a person, though not liable to be registered under Section 22, may get himself registered voluntarily, and all provisions of this Act, as are applicable to a registered taxable person, shall apply to such person.

Q 9. Is possession of a Permanent Account Number (PAN) mandatory for obtaining a Registration?

Ans. Yes. Every person shall have a Permanent Account Number issued under the Income Tax Act, 1961 in order to be eligible for grant of registration.

However as per section 25(7), PAN is not mandatory for a non-resident taxable person who may be granted registration on the basis of any other document as may be prescribed.

Q 10. Whether the Department through the proper officer, can suo-moto proceed with registration of a Person under this Act?

Ans. Yes, 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 that is, or may be taken under the MGL, or under any other law for the time being in force, proceed to register such person in the manner as may be prescribed.

Q 11. Whether the proper Officer can reject an Application for Registration?

Ans. Yes, the proper officer can reject an application for registration after due verification. However, it is also provided that the proper officer shall not reject the application for registration or the Unique Identity Number without giving a notice to show cause and without giving the person a reasonable opportunity of being heard.

Q 12. Whether the Registration granted to any person is permanent?

Ans. Yes, the registration Certificate once granted is permanent unless surrendered, cancelled, suspended or revoked.

Q 13. Is it necessary for the UN bodies to get registration under MGL?

Ans. All UN bodies Consulate or Embassy of foreign countries and any other class of persons so notified would be required to obtain a unique identification number (UIN) from the GST portal. The structure of the said ID would be uniform across the States in conformity with GSTIN structure and the same will be common for the Centre and the States. This UIN will be needed for claiming refund of taxes paid by them and for any other purpose as may be prescribed in the GST Rules.

Q 14. What is the responsibility of the taxable person supplying to UN bodies?

Ans. The taxable supplier supplying to these organizations is expected to mention the UIN on the invoices and treat such supplies as supplies to another registered person (B2 B) and the invoices of the same will be uploaded by the supplier.

Q 15. Is it necessary for the Govt. organization to get registration?

Ans. A unique identification number (ID) would be given by the respective state tax authorities through GST portal to Government authorities / PSUs not making

outwards supplies of GST goods (and thus not liable to obtain GST registration) but are making inter-state purchases.

Q 16. Who is a Casual Taxable Person?

Ans. Casual Taxable Person has been defined in Section 2(20) of MGL. It means a person who occasionally undertakes transactions in a taxable territory where he has no fixed place of business.

Q 17. Who is a Non-resident Taxable Person?

Ans. A taxable person residing outside India and coming to India to occasionally undertake transaction in the country but has no fixed place of business in India is a non-resident taxable person in terms of Section 2 (77) of the MGL.

Q 18. What is the validity period of the Registration certificate issued to a Casual Taxable Person and non-Resident Taxable person?

Ans. The certificate of registration issued to a “casual taxable person” or a “non-resident taxable person” shall be valid for a period of ninety days from the effective date of registration. However, the proper officer, at the request of the said taxable person, may extend the validity of the aforesaid period of ninety days by a further period not exceeding ninety days.

Q 19. Is there any Advance tax to be paid by a Casual Taxable Person and Non-resident Taxable Person at the time of obtaining registration under this Special Category?

Ans. Yes. While a normal taxable person does not have to make any deposit of money to obtain registration, a casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration, 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. If registration is to be extended beyond the initial period of ninety days, an advance additional amount of tax equivalent to the estimated tax liability is to be deposited for the period for which the extension beyond ninety days is being sought.

Q 20. Whether Amendments to the Registration Certificate is permissible?

Ans. Yes, the proper officer may, on the basis of such information furnished either by the registrant or as ascertained by him, approve or reject amendments in the registration particulars in the manner and within such period as may be prescribed. It is to be noted that permission of the proper officer for making amendments will be required for only certain core fields of information, whereas for the other fields, the registrant can himself carry out the amendments.

Q 21. Whether Cancellation of Registration Certificate is permissible?

Ans. Yes. Any Registration granted under this Act may be cancelled by the Proper Officer, in circumstances mentioned in Section 29 of the MGL. The proper officer may, either on his own motion or on an application filed, in the prescribed manner, by the registered taxable 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.

Q 22. Whether cancellation of Registration under CGST Act means cancellation under SGST Act also?

Ans. Yes. The cancellation of registration under one Act (say CGST Act) shall be deemed to be a cancellation of registration under the other Act (i.e. SGST Act).

Q 23. Can the proper Officer Cancel the Registration on his own?

Ans. Yes, in certain circumstances specified under section 29(1) of MGL, the proper officer can cancel the registration on his own. Such circumstances include not filing return for a continuous period of six months (for a normal taxable person) or three months (for a compounding taxpayer), and not commencing business within six months from the date of registration. However, before cancelling the registration, the proper officer has to follow the principles of natural justice.

Q 24. What happens when the registration is obtained by means of willful mis-statement, fraud or suppression of facts?

Ans. In such cases, the registration may be cancelled with retrospective effect by the proper officer.

Q 25. Is there an option to take centralized registration for services under MGL?

Ans. No.

Q 26. If the taxpayer has different business verticals in one state, will he have to obtain separate registration for each such vertical in the state?

Ans. No. However the taxpayer has the option to register such separate business verticals independently in terms of Section 25(2) of MGL.

Q 27. Who is an ISD?

Ans. ISD stands for Input Service Distributor and has been defined under Section 2 of MGL. It is basically an office meant to receive tax invoices towards receipt of input services and further distribute the credit to supplier units proportionately.

Q 28. Will ISD be required to be separately registered other than the existing taxpayer registration?

Ans. Yes. The ISD registration is for one office of the taxpayer which will be different from the normal registration.

Q 29. Can a taxpayer have multiple ISDs?

Ans. Yes. Different offices of a taxpayer can apply for ISD registration.

Q 30. What could be the liabilities (in so far as registration is concerned) on transfer of a business?

Ans. The transferee or the successor shall be liable to be registered with effect from such transfer or succession and he will have to obtain a fresh registration with effect from such date.

Q 31. Whether all assesses/dealers who are already registered under existing central excise/service tax/ vat laws will have to obtain fresh registration?

Ans. No. GSTN shall migrate all such assessee/dealers to the GSTN network and shall issue GSTIN number and password. They will be asked to submit all requisite documents and information required for registration in a prescribed period of time. Failure to do so will result in cancellation of GSTIN number.

The service tax assessee having centralized registration will have to apply afresh in the respective states wherever they have their businesses.

Q 32. Whether the goods will be permitted to be supplied from the place of business of a job worker?

Ans. Yes. But only in cases where the job worker is registered or the principal declares the place of business of the job worker as his additional place of business.

Q 34. At the time of registration will the assessee have to declare all his places of business?

Ans. Yes. The principal place of business and place of business have been separately defined under section 2(85) & 2(89) of MGL respectively. The taxpayer will have to declare the principal place of business as well as the details of additional places of business in the registration form.

Q 35. Is there any system to facilitate smaller dealers or dealers having no IT infrastructure?

Ans. In order to cater to the needs of taxpayers who are not IT savvy, following facilities shall be made available:-

Tax Return Preparer (TRP): A taxable person may prepare his registration application /returns himself or can approach the TRP for assistance. TRP will prepare the said registration document/ return in prescribed format on the basis of the information furnished to him by the taxable person. The legal responsibility of the correctness of information contained in the forms prepared by the TRP will rest with the taxable person only and the TRP shall not be liable for any errors or incorrect information.

Facilitation Centre (FC): shall be responsible for the digitization and/or uploading of the forms and documents including summary sheet duly signed by the Authorized Signatory and given to it by the taxable person. After uploading the data on common portal using the ID and Password of FC, a print-out of acknowledgement will be taken and signed by the FC and handed over to the taxable person for his records. The FC will scan and upload the summary sheet duly signed by the Authorized Signatory.

Q 36. Is there any facility for digital signature in the GSTN registration?

Ans. Taxpayers would have the option to sign the submitted application using valid digital signatures (if the applicant is required to obtain DSC under any other prevalent law then he will have to submit his registration application using the same). For those who do not have a digital signature, alternative mechanisms will be provided in the GST Rules on Registration.

Q 37. What will be the time limit for the decision on the online application?

Ans. If the information and the uploaded documents are found in order, the State and the Central authorities shall approve the application and communicate the approval to the common portal within three common working days. The portal will then automatically generate the Registration Certificate. In case no deficiency is communicated to the applicant by both the tax authorities within three common working days, the registration shall be deemed to have been granted and the portal will automatically generate the Registration Certificate.

Q 38. What will be the time of response by the applicant if any query is raised in the online application?

Ans. If during the process of verification, one of the tax authorities raises some query or notices some error, the same shall be communicated to the applicant and to the other tax authority through the GST Common Portal within 3 common working days. The applicant will reply to the query/rectify the error/answer the query within a period informed by the concerned tax authorities (Normally this period would be seven days).

On receipt of additional document or clarification, the relevant tax authority will respond within seven common working days.

Q 39. What is the process of refusal of registration?

Ans. In case registration is refused, the applicant will be informed about the reasons for such refusal through a speaking order. The applicant shall have the right to appeal against the decision of the Authority.

Q 40. Will there be any communication related to the application disposal?

Ans. The applicant shall be informed of the fact of grant or rejection of his registration application through an e-mail and SMS by the GST common portal. Jurisdictional details would be intimated to the applicant at this stage.

Q 41. Can the registration certificate be downloaded from the GSTN portal?

Ans. In case registration is granted, applicant can download the Registration Certificate from the GST common portal.

Returns under GST

A return is a statement of specified particulars relating to business activity undertaken by the taxable person during a prescribed period. Return is a very critical aspect of any tax administration since it is the formal mode for submission of information important for administration of tax in a structured and time bound manner. Return provides a framework for working out the tax that becomes payable in the prescribed period applying the legal principles laid down in the tax law to the transactions during the period. A taxable person has a legal obligation:

- (i) To declare his tax liability for a given period in the return;
- (ii) Furnish details about the taxes paid in accordance with that return; and
- (iii) File correct and complete return within stipulated time frame.

The submission and processing of return is an important link between the taxpayer and tax administration as it is an important tool for:

- (i) Compliance verification program of tax administration;
- (ii) Providing necessary inputs for taking policy decision;
- (iii) Management of audit and anti-evasion programs of tax administration;
- (iv) Finalization of the tax liabilities of the taxpayer within stipulated period of limitation.

GST is a self-assessed destination based taxation system. It is a transaction based tax and the unit for calculation of tax liability is individual transaction, both outward as well as inward. This document explains the legal provisions with respect to returns, the underlying principles and the processes involved. Returns in GST are totally electronic without any requirement of physical submission. The

effort has been to make it as transaction based as possible so that once the tax payer gives the details of transactions, most part of the return is auto generated from details of underlying individual transactions. There shall be one common return for IGST, CGST and SGST that shall be submitted on the GST Common Portal and tax departments will pull the return data relevant to them from the portal for further processing and analysis.

Periodicity of Return Filing

Common periodicity of returns for a class of taxpayers would be enforced. There will be different frequency for filing of returns for different class of taxpayers, after payment of due tax, either prior to or at the time of filing return. The return can be filed without payment of self-assessed tax as per the return but such return would be treated as an invalid return and would not be taken into consideration for matching of invoices and for inter-governmental fund settlement among States and the Centre. The periodicity of return for different categories of taxpayers is as follows:

S. No.	Return / Ledger	For	To be filed by
1	GSTR 1	Outward supplies made by taxpayer (other than compounding taxpayer and ISD)	10 th of the next month
2	GSTR 2	Inward supplies received by a taxpayer (other than a compounding taxpayer and ISD)	15 th of the next month
3	GSTR 3	Monthly return (other than compounding taxpayer and ISD)	20 th of the next month
4	GSTR 4	Quarterly return for compounding Taxpayer	18 th of the month next to quarter
5	GSTR 5	Periodic return by Non-Resident Foreign Taxpayer	Seven days from last day of registration
6	GSTR 6	Return for Input Service Distributor (ISD)	13 th of the next month
7	GSTR 7	Return for Tax Deducted at Source	10 th of the next month
8	GSTR 8	E-Commerce Operator	10 th of the next month
9.	GSTR 9	Annual Return	By 31 st December of next FY
10.	GSTR 10	Final Return	3 Months from the date of Cancellation

Other important points relating to periodicity of return filing

Normal/Regular taxpayers (including casual taxpayers) would have to file details of outward supplies (GSTR-1), details of inward supplies (GSTR-2) and monthly Return (GSTR-3) for each registration.

- (i) Normal/ Regular taxpayers with multiple registrations (for business verticals) within a State would have to file GSTR-1, GSTR-2 and GSTR-3 for each of the registrations separately.
- (ii) Compounding taxpayers would have to file a quarterly return in GSTR-4.
- (iii) Taxpayers otherwise eligible for the composition scheme can opt out of composition and file monthly returns and thereby make their supplies eligible for ITC in hands of the purchasers. In such a case, they will have to file GSTR 1-3 irrespective of their turnover.
- (iv) Casual taxpayers would have to file GSTR-1, GSTR-2 and GSTR-3 returns for the period for which they have obtained registration. The registration of Casual taxpayers will be done in the same manner as that of Normal/ Regular taxpayers but with payment of advance tax.
- (v) Non-Resident Taxpayers (foreigners) would be required to file GSTR-5 return for the period for which they have obtained registration within a period of seven days after the date of expiry of registration. In case registration period is for more than one month, monthly return(s) would be filed and thereafter return for remaining period would be filed within a period of seven days as stated earlier.
- (vi) Annual return (GSTR-9) will be filed by all normal/ regular and composition taxpayers. It will be based on financial records.
- (vii) Cut-off date for filing of details of outward supplies (GSTR-1), inward supplies (GSTR-2) and monthly return (GSTR-3) would be 10th, 15th and 20th day respectively of the succeeding month for all monthly filers.
- (viii) Cut-off date for filing of Quarterly return (GSTR-4) by compounding taxpayer would be 18th day of the first month of the succeeding quarter.
- (ix) Cut-off date for filing of Input Service Distributor return (GSTR-6) would be 13th day of the succeeding month.
- (x) Cut-off date for filing of TDS (Tax Deducted at Source) return (GSTR-7) by Tax Deductor would be 10th day of the succeeding month.
- (xi) For Annual return, the cut-off date would be 31st December following the end of the financial year for which it is filed.
- (xii) The filing of return would be only through online mode although the facility of offline generation and preparation of returns would be provided. The

returns prepared in offline mode would have to be uploaded before due date.

The provisions of Returns are contained in Chapter 9 of the GST Act' 2017. The Joint Committee on business processes for GST return process had also released its report in Oct 2015 to outline the process of filing returns in GST. **Major features of the returns filing procedures under GST are as follows:**

- (i) **Common return** would serve the purpose of both Centre and State Government.
- (ii) There are eight forms provided for in the GST business processes for filing for returns. Most of the average tax payers would be using only four forms for filing their returns. These are return for supplies, return for purchases, monthly returns and annual return.
- (iii) **Small taxpayers:** Small taxpayers who have opted composition scheme shall have to file return on quarterly basis.
- (iv) Filing of returns shall be completely online. All taxes can also be paid online.

Simple Return form for first 2 months – Form GSTR 3B

The GST Council in its meeting on 18th June' 2017, has relaxed filing rules for the first two months post implementation viz for July'2017 and August' 2017.

As per the finalised rules, a new form GSTR-3B has been introduced by the government. Every taxpayer needs to file his return on self-assessment basis for the first two months i.e July and August. These return forms have to be filed by 20th of next month. September onwards, every taxpayer has to strictly follow the regular provisions of filing return on 10th, 15th and 20th of next month i.e. October. Also, there will be no late fee or penalty levied for the initial two months. This simple return i.e. **FORM GSTR-3B** has now been extended for further 4 months. GSTR-3B has been filled upto December,2017 as per notification no. 35/2017 – Central tax dated 15th September, 2017.

In this regard, the following FAQs are referred below for easy understanding of the topic:-

Q 1. What is the purpose of returns?

Ans.

- a) Mode for transfer of information to tax administration;
- b) Compliance verification program of tax administration;
- c) Finalization of the tax liabilities of the taxpayer within stipulated period of limitation; to declare tax liability for a given period;
- d) Providing necessary inputs for taking policy decision;

e) Management of audit and anti-evasion programs of tax administration.

Q 2. Who needs to file Return in GST regime?

Ans. Every registered taxable person – who crosses the threshold limit for payment of taxes. A supplier needs to be registered when the aggregate turnover crosses Rs. 20 lacs. So he will be required to file returns when he crosses the threshold limit of Rs. 20 lacs. There are some other class of persons who need to be registered and therefore will have to file returns like interstate suppliers, TDS deductors, e-commerce operators, suppliers supplying goods through e-commerce operators etc.

Q 3. What type of outward supply details are to be filed in the return?

Ans. A normal registered taxpayer has to file the outward supply details in GSTR-1 in relation to various types of supplies made in a month, namely outward supplies to registered persons, outward supplies to unregistered persons (consumers), details of Credit/Debit Notes, zero rated, exempted and non-GST supplies, exports, and advances received in relation to future supply.

Q 4. Is the scanned copy of invoices to be uploaded along with GSTR-1?

Ans. No, scanned copy of invoices is to be uploaded. Only certain prescribed fields of information from invoices need to be uploaded.

Q 5. Whether all invoices will have to be uploaded?

Ans. No. It depends on whether B2B or B2C plus whether Intra-state or Inter-state supplies.

For B2B supplies, all invoices, whether Intra-state or Interstate supplies, will have to be uploaded. Why So? Because ITC will be taken by the recipients, invoice matching is required to be done.

In B2C supplies, uploading in general may not be required as the buyer will not be taking ITC. However still in order to implement the destination based principle, invoices of value more than Rs.2.5 Lacs in inter-state B2B supplies will have to be uploaded. For intra-state invoices below Rs. 2.5 lacs and all intra-state invoices, state wise summary will be sufficient.

Q 6. Whether description of each item in the invoice will have to be uploaded?

Ans. No. In fact description will not have to be uploaded. Only HSN code in respect of supply of goods and Accounting code in respect of supply of services will have to be fed. The minimum number of digits that the filer will have to upload would depend on his turnover in the last year.

Q 7. Whether value for each transaction will have to be fed? What if no consideration?

Ans. Yes. Not only value but taxable value will also have to be fed. In some cases both may be different.

In case there is no consideration, but it is supply by virtue of schedule 1, the taxable value will have to be uploaded.

Q 8. Can a recipient feed information in his GSTR-2 which has been missed by the supplier?

Ans Yes, the recipient can himself feed the invoices not uploaded by his supplier. The credit on such invoices will also be given provisionally but will be subject to matching. On matching, if the invoice is not uploaded by the supplier, both of them will be intimated. If the mismatch is rectified, provisional credit will be confirmed. But if mismatch continues even after intimation, the credit provisionally allowed will be reversed.

Q 9. Do the taxable person have to feed anything in the GSTR-2 or everything is auto-populated from GSTR-1?

Ans. While a large part of GSTR-2 will be auto-populated, there are some details that only recipient can fill like details of imports, details of purchases from non-registered or composition suppliers and exempt/non-GST/nil GST supplies etc.

Q 10. What if the invoices do not match? Whether ITC given or denied? If denied, what action is taken against supplier?

Ans. If invoices in GSTR-2 do not match with invoices in counter-party GSTR-1, the ITC will be reversed if the mismatch continues even after it is made known to both and still it is not rectified. Mismatch can be because of two reasons. First, it could be due to mistake at the side of the recipient, and in such a case, no further action is required. Secondly, it could be possible that the said invoice was issued by supplier but he did not upload it and pay tax on it. In such a case, recovery action shall be taken against the supplier. In short, all mismatches will lead to proceedings if the supplier has made a supply but not paid tax on it.

Q 11. What will be the legal position in regard to the reversed input tax credit if the supplier later realises the mistake and feeds the information?

Ans. At any stage, but before September of the next financial year, supplier can upload the invoice and pay duty and interest on such missing invoices in his GSTR-3 of the month in which he uploaded the invoice. The recipient will then automatically get ITC on that invoice. The interest paid by the recipient at the time of reversal will also be returned to the recipient through an automated system on the GSTN.

Q 12. What is the special feature of GSTR-2?

Ans. The special feature of GSTR-2 is that the details of supplies received by a recipient can be auto populated on the basis of the details furnished by the counter party supplier in his GSTR-1.

Q 13. Whether the ITC denied can be restored?

Ans. If the supplier uploads the invoice at any time after the reversal but by September of the next financial year, the credit reversed earlier gets restored along with refund of the interest paid during reversal.

Q 14. Do tax payers under the composition scheme also need to file GSTR-1 and GSTR-2?

Ans. No. Composition tax payers do not need to file any statement of outward or inward supplies. They have to file a quarterly return in Form GSTR-4 by the 1st of the month after the end of the quarter. Since they are not eligible for any input tax credit, there is no relevance of GSTR-2 for them and since they do not pass on any credit to their recipients, there is no relevance of GSTR-1 for them. In their return, they have to declare summary details of their outward supplies along with the details of tax payment. They also have to give details of their purchases in their quarterly return itself most of which will be auto populated.

Q 15. Do Input Service Distributors (ISDs) need to file separate statement of outward and inward supplies with their return?

Ans. No, the ISDs need to file only a return in GSTR-6 and the return has the details of credit received by them from the service provider and the credit distributed by them to the subsidiaries. Since their return itself covers these aspects, there is no requirement to file separate statement of inward and outward supplies.

Q 16. How does a taxpayer get the credit of the tax deducted at source on his behalf? Does he need to produce TDS certificate from the deductee to get the credit?

Ans. Under GST, the deductor will be submitting the deductee wise details of all the deductions made by him in his return in Form GSTR-7 to be filed by 10th of the month next to the month in which deductions were made. The details of the deductions as uploaded by the deductor shall be auto populated in the GSTR-2 of the deductee. The taxpayer shall be required to confirm these details in his GSTR-2 to avail the credit for deductions made on his behalf to avail this credit he does not require to produce any certificate in physical or electronic form. The certificate will only be for record keeping of the tax payer and can be downloaded from the Common Portal.

Q 17. Who all need to file Annual Return?

Ans. All taxpayers filing return in GSTR-1 to 3 other than casual taxpayers and taxpayers under composition scheme are required to file an annual return. Casual taxpayers, nonresident taxpayers, ISDs and persons authorized to deduct tax at source are not required to file annual return.

Q 18. Is an Annual Return and a Final Return one and the same?

Ans. No. Annual Return has to be filed by every registered taxable person paying tax as a normal or a compounding taxpayer. Final Return has to be filed only by those registered taxable persons who have applied for cancellation of registration. This has to be filed within three months of the date of cancellation or the date of cancellation order.

Q 19. If a return has been filed, how can it be revised if some changes are required to be made?

Ans. In GST since the returns are built from details of individual transactions, there is no requirement for having a revised return. Any need to revise a return may arise due to the need to change a set of invoices or debit/ credit notes. Instead of revising the return already submitted, the system will allow changing the details of those transactions (invoices or debit/credit notes) that are required to be amended. They can be amended in any of the future GSTR1/2 in the tables specifically provided for the purposes of amending previously declared details.

Q 20. How can taxpayers file their returns?

Ans. Taxpayers will have various modes to file the statements and returns. Firstly, they can file their statement and returns directly on the Common Portal online. However, this may be tedious and time taking for taxpayers with large number of invoices. For such taxpayers, an offline utility will be provided that can be used for preparing the statements offline after downloading the auto populated details and uploading them on the Common Portal GSTN has also developed an ecosystem of GST Suvidha Providers (GSP) that will integrate with the Common Portal

Q 21. What all should a diligent taxpayer ensure for a hassle free compliance under GST?

Ans. One of the most important things under GST will be timely uploading of the details of outward supplies in Form GSTR-1 by 10th of next month. How best this can be ensured will depend on the number of B2B invoices that the taxpayer issues. If the number is small, the taxpayer can upload all the information in one go. However, if the number of invoices is large, the invoices (or debit/ credit notes) should be uploaded on a regular basis. GSTN will allow regular uploading of invoices even on a real time basis. Till the statement is actually submitted, the system will also allow the taxpayer to modify the uploaded invoices. Therefore, it would always be beneficial for the taxpayers to regularly upload the invoices. Last minute rush will make uploading difficult and will come with higher risk of possible failure and default. The second thing would be to ensure that taxpayers follow up on uploading the invoices of their inward supplies by their suppliers. This would be helpful in ensuring that the input tax credit is available without any

hassle and delay. Recipients can also encourage their suppliers to upload their invoices on a regular basis instead of doing it on or close to the due date. The system would allow recipients to see if their suppliers have uploaded invoices pertaining to them. The GSTN system will also provide the track record about the compliance level of a tax payer, especially about his track record in respect of timely uploading of his supply invoices giving details about the auto reversals that have happened for invoices issued by a supplier. The Common Portal of GST would have pan India data at one place which will enable valuable services to the taxpayers. Efforts are being made to make regular uploading of invoices as easy as possible and it is expected that an enabling ecosystem will develop towards this objective. Taxpayers should make efficient use of this ecosystem for easy and hassle free compliance under GST.

Q 22. Is it compulsory for taxpayer to file return by himself?

Ans. No. A registered taxpayer person can also get his return filed through a Tax Return Preparer, duly approved by the Central or the State tax administration.

Q 23. What is the consequence of not filing the return within the prescribed date?

Ans. A registered taxable person who files return beyond the prescribed date will have to pay late fees of rupees one hundred for every day of delay subject to a maximum of rupees five thousand.

Refunds under GST

Refund Provisions in Model GST Law

Chapter XI having Sections 54 to 58 of GST Act' 2017 deals with refund Provisions. For the purposes of this section “refund” includes refund of tax on goods and/or services exported out of India or on inputs or input services used in the goods and/or services which are exported out of India, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilized input tax credit.

- Any person claiming refund of any tax and interest may make an application to the proper Officer of IGST/CGST/SGST before the expiry of 2 years from the relevant date in such form and in such manner as may be prescribed.
- A taxable person may claim refund of any unutilized input tax credit at the end of any tax period.
- No refund of unutilized ITC shall be allowed in cases other than exports or in cases where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on outputs.
- No refund of unutilized ITC in cases where the goods are exported out of India are subjected to export duty.
- The Refund application shall be accompanied by:
 - ✓ Documentary evidence as may be prescribed to establish that a refund is due.
 - ✓ Such documentary or other evidence 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 by him to any other person.

- ✓ If the amount claimed is less than five lakh rupees, he may file a declaration, based on the documentary and other evidences with him, certifying that the incidence of such tax and interest had not been passed on by him to any other person.

1. Refund scenarios in GST

A) Refund of unutilized Input tax credit allowed only in following cases [Sec 54(3)]

- (i) **Exports of goods and services. It can be tax paid on the inputs used in the use of goods and services which are exported at zero rate or in case tax is paid on such exports then such tax**

(No refund of Unutilized ITC, if goods exported outside India are subjected to export duty) [Proviso to 54(3)]

- (ii) **On account of accumulation of account of rate of tax on inputs higher than the rate of taxes on Outputs. The case must not be of Exempt or NIL rated supply.**

B) On Finalization of provisional assessment under Sec. 60

A dealer can apply for Provisional assessment u/s 60 after which the officer is bound to do final assessment. If on final assessment refund is due to the dealer, it shall be paid.

C) Refund of Pre - deposit for filing appeal including refund arising in pursuance of an appellate authority's order (when the appeal is decided in favor of the appellant).

D) Excess payment of tax due to mistake or inadvertence:- Such excess payment may be on account of wrong mentioning of nature of tax/GSTIN/ of tax amount. In case of wrong mentioning of tax/GSTIN, the tax administration has to verify the correctness of tax payers claim while verifying the refund application filed by the him, which should be decided within the prescribed period. In case of wrong mentioning of tax, the refund of excess amount of tax, at the option of the taxpayer, would either be automatically carried forward or adjustment against future tax liabilities or be refunded.

E) Tax wrongfully collected and deposited with the Central or State Government.

A taxable person who has paid IGST/CGST/SGST mistakenly as an Interstate/intrastate supply, but the nature of which was subsequently

clarified then he shall be allowed to take refund of the tax paid under the mistaken head, subject to rules which will be made and provisions of Sec 54 of GST Act.

F) Refund of tax payment on purchases made by Embassies or UN

The United Nations Organization and Consulates or Embassies are required to take a Unique Identity Number and purchases made by them will be reflected against their number in GSTIN and refunds can be granted. A separate process will be notified in the Rules.

2. Procedure

a) General procedures on submission of application

- ✓ Refunds under GST is application based and subject to verification. Application to be submitted through GSTN Portal with provision for uploading supporting documents.
- ✓ Any person claiming refund of any tax or interest shall make application to the proper officer. [S.54(1)]
- ✓ The application form shall be correct and complete and will be prescribed in the Rules.
- ✓ The application shall be made before expiry of 2 years from the relevant date.
- ✓ Relevant dates for different scenarios are specified under Explanation 2 to Section 54

b) Documents to be accompanied with the Application form –

General documents will be prescribed in the Rules. But the following documents for various scenarios are mentioned in the Business Process document.

For exports refund application to be submitted by the applicant. There will be a provision to upload scanned copies wherever possible

1. Shipping Bill (Export Promotion copy);
2. Mate's Receipt / Transporter's Challan (in case of export by road);
3. Export invoice;
4. Packing list;
5. Bill of Lading/ Airway Bill;
6. Bank Realization Certificate (BRC).
7. In case of services, invoice and BRC.

c) Verification

The verification will be mostly online.

The Import Export code (IEC) details captured at the time of issuance of GSTN can be verified with DGFT online. As proposed, if the linkage with the customs network ICEGATE is worked out, shipping bill which includes relevant details from the export invoice and packing list can be verified online.

BRC-Since the exporter has a time period of one year from the date of export for remitting of export proceeds, BRC may not be available at the time of refund application. But if export proceeds are received in advance BRC may be available. Thus, in case of BRC refund should be subject to submission of BRC details within a period of maximum one year or as extended by RBI. e-BRC module of DGFT will be integrated with GST module.

If export is done on payment of duty, the uploaded export invoice can be verified online for verification of payment of duty.

If refund is claimed on GST paid on inputs used for exported goods, utilization for exports is required to be verified. For this, the GST paid character of purchases can be matched with supplier and exporter's return. No separate documents is necessary. As regard to utilization of inputs for export,

- A simple formula will be prescribed in the rules may be based on proportionate credit based on export turnover/total turnover.
- A declaration can be obtained from the exporter regarding Utilization of inputs in exported goods.
- Refund shall be granted within 60 days from the date of application containing complete details. Sec.48 (7)
- For export refunds to notified category of dealers, 90% refund can be granted before verification subject to such conditions and restrictions.

3. Unjust enrichment and consumer Welfare Fund

Except in cases of exports, refund of unutilized ITC and the amount of tax and interest or other amounts paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person and tax or interest borne by such notified persons, the refundable amount shall be credited to consumer welfare fund constituted under sec.57.

4. Withholding of refunds (Sec.54)

Refund can be withheld in the following circumstances:

- If the registered dealer has not submitted return, till he files the return.
- The proper officer can also deduct unpaid taxes if any of the dealer.
- Commissioner/Board can withhold refund, if, the Order of Refund is under appeal and he is of the opinion that grant of such refund will adversely affect revenue.

5. Minimum threshold for refund [Sec 54(14)]

No refund shall be granted if the amount is less than Rs.1000/-.

6. Interest on delayed refunds (Sec.56)

- Interest accrues from after 60 days from the date of receipt of application.
- Interest rate yet to be notified. Business process Committee recommends 6%.
- In case of refund pursuant to appellate authority/ Tribunal/Court from the date of order.

7. Refunds under earlier law to be paid in cash (See transitional provisions)

CHAPTER 16

Electronic Commerce

In the existing VAT, service tax and excise legislation, there are no specific provisions for e-commerce operators to pay taxes on sale of goods or to make any tax deductions from the payments being made by them to actual seller of goods. However, many states, under their VAT law have started prescribing returns to be filed by the e-commerce operators with information relating to the supplies made through their portal. In order to mitigate the challenges being posed by e-commerce transactions, the GST Law endeavours to establish a compliance mechanism to ensure that the appropriate taxes are discharged by the actual suppliers supplying goods or services through electronic portals. The pivotal point from where this can be ensured is the E-commerce operator.

Section 52 read with Section 2(45) of GST Act' 2017 contains provisions for electronic commerce.

In this regard, the following FAQs are referred below for easy understanding of the topic:-

Q 1. What is e-commerce?

Ans. Section 2(44) of the GST Act defines an Electronic Commerce to mean supply of goods and/or services including digital products over digital or electronic network;

Q 2. Who is an e-commerce operator?

Ans. Section 2(45) of the GST Act defines an Electronic Commerce Operator (Operator) to mean any person who owns, operates or manages digital or electronic facility or platform for electronic commerce; *For instance, Amazon and*

Flipkart are e-commerce Operators because they are facilitating actual suppliers to supply goods through their platform (popularly called Market place model or Fulfilment Model). However, Titan supplying watches and jewels through its own website would not be considered as an e-commerce operator for the purposes of this provision. Similarly Amazon and Flipkart will not be treated as e-commerce operators in relation to those supplies which they make on their own account (popularly called inventory Model).

Q 3. Is it mandatory for e-commerce operator to obtain registration?

Ans. Yes. Section 22 r/w section 24 of the GST Act, provides that the threshold exemption is not available to e-commerce operators and they would be liable to be registered irrespective of the value of supply made by them.

Q 4. Whether a supplier of goods/services supplying through e-commerce operator would be entitled to threshold exemption?

Ans. No. Section 22 r/w section 24 of the GST Act, provides that the threshold exemption is not available to such suppliers and they would be liable to be registered irrespective of the value of supply made by them.

Q 7. What is Tax Collection at Source (TCS)?

Ans. In terms of Section 52 of the GST Act' 2017, the e-commerce operator is required to collect (i.e. deduct) an amount out of the consideration paid or payable to the actual supplier of goods or services in respect of supplies of goods and / or services made through such operator. The amount so deducted/collected is called as Tax Collection at Source (TCS).

Q 8. At what time/intervals should the e-commerce operator make such deductions?

Ans. The timings for such collection/deduction are earlier of the two events:

- (i) The time of credit of any amount to the account of the actual supplier of goods and / or services;
- (ii) The time of payment of any amount in cash or by any other mode to such supplier.

Q 9. What is the time within which such TCS is to be remitted by the e-commerce operator to Government account? Is the operator required to file any returns for this purpose?

Ans. In terms of Section 52 of the GST Law, the amount collected by the operator is to be paid to the credit of appropriate government within 10 days after the end of the month in which amount was so collected. Further, the operator is required to file a Statement, electronically, containing details of all amounts collected by him for the outward supplies made through his Portal, within 10 days of the end of

the calendar month to which such statement pertains. The said statement would contain the names of the actual supplier(s), details of respective supplies made by them and the amount collected on their behalf. The Form and Manner of the said Statement would be prescribed in the GST Rules.

Q 10. How can actual suppliers claim credit of this TCS?

Ans. Such TCS which is deposited by the operator into government account will be reflected in the cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator. The same can be used at the time of discharge of tax liability in respect of the supplies by the actual supplier.

Q 11. Is the e-commerce operator required to furnish information to the Government?

Ans. Yes. In terms of section 52(12), an officer not below the rank of Joint Commissioner may require the operator to furnish details relating to:

- (i) Supplies of goods / services effected through the operator during any period;
- (ii) Stock of goods held by actual supplier making supplies through such operator in the godowns or warehouses belonging to the operator and registered as additional place of business by the actual supplier.

The operator is required to furnish the above information within 15 working days from the date of service of notice asking such information. In case of failure to furnish such information, the penalty could be extended to Rs. 25,000.

Q 12. Is the e-commerce operator required to submit any statement? What are the details that are required to be submitted in the statement?

Ans. Yes, every operator is required to furnish a statement, electronically, of all amounts collected as TCS towards outward supplies of goods and/or services effected through it during a calendar month within 10 days after the end of such calendar month. The statement shall contain, inter alia, the details of the amount collected on behalf of each supplier in respect of all supplies of goods and/ or services effected through the operator and the details of such supplies during the said calendar month.

Q 13. What is the concept of matching in e-commerce provisions and how it is going to work?

Ans. As per section 52, the details of supplies and the amount collected during a calendar month, and furnished by every operator in his statement will be matched with the corresponding details of outward supplies furnished by the concerned supplier in his valid return filed for the same calendar month or any

preceding calendar month. Where the details of outward supply, on which the tax has been collected, as declared by the operator in his statement do not match with the corresponding details declared by the supplier the discrepancy shall be communicated to both persons.

Q 14. What will happen if the details remain mismatched?

Ans. As per section 52, the value of a supply relating to any payment in respect of which any discrepancy is communicated 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 liability of the said supplier, for the calendar month succeeding the calendar month in which the discrepancy is communicated. The concerned supplier shall, in whose output tax liability any amount has been added shall be liable to pay the tax payable in respect of such supply along with interest, on the amount so added from the date such tax was due till the date of its payment.

CHAPTER 17

TDS / TCS

Provisions for Tax Deducted at Source (TDS)

As per section 51, this provision is meant for Government and Government undertakings and other notified entities making contractual payments in excess of Rs. 2.5 Lakhs to suppliers. While making such payment, the concerned Government/authority shall deduct 1% of the total payable amount and remit it into the appropriate GST account.

Any amount shown as TDS will be reflected in the electronic cash ledger of the concerned supplier. He can utilize this amount towards discharging his liability towards tax, interest fees and any other amount.

How will the TDS be accounted by the TDS Deductor?

TDS Deductor will account for such TDS in the following ways:

1. Such deductors needs to get compulsorily registered under section 22 read with Section 24 of GST Act.
2. They need to remit such TDS collected by the 10th day of the month succeeding the month in which TDS was collected and reported in GSTR 7.
3. The amount deposited as TDS will be reflected in the electronic cash ledger of the supplier.
4. They need to issue certificate of such TDS to the deductee within 5 days of deducting TDS failing which fees of Rs. 100 per day subject to maximum of Rs. 5000/- will be payable by such deductor.

Provisions for Tax Collected at Source (TCS)

As per section 52 of the GST Act' 2017, the provisions for TCS are applicable only for E-Commerce Operator. Every E-Commerce Operator needs to withhold a percentage (to be notified later on the recommendation of the GST Council) of the amount which is due from him to the supplier at the time of making actual payment to the supplier. Such withheld amount is to be deposited by such E-Commerce Operator to the appropriate GST account by the 10th of the next month. The amount deposited as TCS will be reflected in the electronic cash ledger of the supplier.

Time limit of payment of TCS

In terms of Section 52(3) of the GST Act' 2017, the amount collected by the operator is to be paid to the credit of appropriate government within 10 days after the end of the month in which amount was so collected.

Requirement to file TCS Return

In terms of Section 52(4) of the GST Act' 2017, the operator is required to file a Statement, electronically, containing details of all amounts collected by him for the outward supplies made through his Portal, within 10 days of the end of the calendar month to which such statement pertains. The said statement would contain the names of the actual supplier(s), details of respective supplies made by them and the amount collected on their behalf. The Form and Manner of the said Statement would be prescribed in the GST Rules.

How can actual suppliers claim credit of this TCS?

Such TCS which is deposited by the operator into government account will be reflected in the cash ledger of the actual registered supplier (on whose account such collection has been made) on the basis of the statement filed by the operator. The same can be used at the time of discharge of tax liability in respect of the supplies by the actual supplier.

Deferment of TDS and TCS Provisions

Government defers TDS, TCS under GST to ensure smooth rollout. Based on the feedback received from trade and industry, the government has decided to postpone provision relating to TDS (Section 51) and TCS (Section 52) of the CGST/State GST Act 2017, with the objective of ensuring smooth rollout of GST, the finance ministry said.

E-commerce companies will not be required to collect 1 per cent TCS while making payment to suppliers under the Goods and Services Tax (GST) which will be rolled out from July 1. This provision has been kept in abeyance.

As per the Central GST (CGST) Act, the notified entities are required to collect TDS at 1 per cent on payments to suppliers to goods or services in excess of Rs 2.5 lakh. This provision has also been kept in abeyance.

Small businesses, with turnover less than Rs 20 lakh, will also not be required to register themselves under the GST for selling goods or services through e-commerce portal.

In other words, persons supplying goods or services through electronic commerce operator liable to collect tax at source would not be required to obtain registration immediately.

“This step has been taken to provide more time for persons liable to deduct tax at source/ecommerce companies and their suppliers to prepare for the historic tax reform,”

Small Scale Exemption

The rationale for providing small scale exemption or basic threshold limit in taxation law is that it is beneficial both for the assessee as well as the government. Typically a small number of firms account for a large proportion of revenues from taxes on goods and services. Simultaneously, resources used in the collection of taxes are scarce and must therefore be deployed effectively; these need to be concentrated on the largest taxpayers as part of the risk management strategy. Further, the compliance burden under the invoice credit method is relatively high and it is uneconomical to collect revenues from a large number of small taxpayers. Hence, keeping in view the compliance cost and administrative feasibility, small dealers (including service providers) and manufacturers should be exempted from the purview of both CGST and SGST if their annual aggregate turnover (excluding both CGST and SGST) of all goods and services does not exceed Rs.20 lakh (Rs 10 lakhs for North Eastern states). However, like in most other countries, those below the threshold limit may be allowed to register voluntarily to facilitate sales to other registered manufacturers/dealers, limit competitive distortions and avoid inequities.

Thus,

For a businessmen, it is imperative to start focusing on business in the initial year instead of compliances of a particular taxation law and when the turnover reaches to a specified limit then the compliance burden would not be harsh. In this case, he will also be in a position to take the legal and compliance advises.

For government, it is essential that the focus must be on the businesses who generates more tax revenue considering the administrative cost for handling the lower turnover based assesses. As per the government data for GST, there are 10

million assesses. Out of these, 50% falls below the turnover limit of 20 lacs, thus, eliminating the problem of large number of assessee seeking GST Registrations.

Setting an exemptions threshold has to balance three considerations.

First, minimizing the burden on small taxpayers would call for higher thresholds.

Second, a high threshold also achieves social objectives because poorer households are more likely to buy from smaller outlets (such as kirana shops).

Third, on the other hand, a high threshold not only risks foregoing revenues but also undermines the value-added chain that is so critical for the governance benefits of having a GST.

Thus, considering the above, the threshold exemption in GST is estimated at Rs 20 lacs under GST Act' 2017. All these assesses are not required to charge any GST. Further, with a view to reduce administrative and compliance burden, small dealers with annual aggregate turnover of goods and services between Rs.20 lakh to Rs.100 lakh are also given the option to opt for a compounded levy of 0.5% / 1% / 2.5% u/s 10 of Model GST Act 2016, each towards CGST and SGST. However, no input credit should be allowed against the compounded levy or purchases made from exempt dealers.

As per the GST Law and various reports, the threshold will be for Gross Annual Turnover including exports and exempted supplies (to be calculated on all-India basis) below which any person engaged in supply of Goods or Services or both will not be required to take registration. Once a dealer crosses the required threshold or he starts a new business, **registration application must be filed within 30 days from the date of the dealer's liability for obtaining such registration. Effective date of registration would be the date of application in all cases i.e. whether the application has been filed within prescribed time limit of 30 days or otherwise. The taxpayer would be eligible for ITC in respect of all his purchases from the date of application in case application for registration has been filed within 30 days.** The taxpayer would, however, not be eligible for ITC in respect of his purchases prior to the date of registration in case the registration application is not filed within the prescribed time limit of 30 days, although Centre is of the view that such a provision may not stand the test of judicial scrutiny. On the other hand States, based on their experience under VAT, were of the view that having relevant provision in the GST law has helped them contest cases in courts.

Whether the threshold limit to be seen on 'All India basis' or 'State wise turnover' to be seen?

The matter was deliberated upon by the Empowered Committee. It was felt that the threshold, both for SGST and CGST should be common except for North-eastern

States where the threshold could be prescribed at lower level. It was also felt by the Committee that the threshold both for services and goods should be same. However, for inter-state dealers, the threshold should be zero. The threshold should be worked out taking into account both the supply of goods and services on gross turnover basis. Such turnover would include the turnover of exempted goods and services (including non-taxable) and exports. It was also agreed that the turnover so calculated would be applicable for the purposes of Threshold, Compounding Scheme and Dual Control. While the State representatives felt that turnover should be State-wise of a legal entity, the representatives of Government of India strongly felt that it should be All India turnover of a legal entity, otherwise it may lead to tax evasion. It was pointed out by the Centre's representatives that if the turnover of an entity is considered State-wise, the threshold for CGST would increase steeply when calculating the turnover of the entity on an All India basis. This would adversely affect the revenue of the Centre. What would happen is that an entity will open office in States and Union Territories (which are 37 in number) for availing of State-wise threshold for SGST purposes. In such a scenario, the threshold for CGST purposes would work out to Rs. 9.25 Crores (Rs. 25 Lacs * 37). Similar impact would be there for the compounding scheme as well as for the issue relating to dual control. The suggestion of the Central Board of Excise and Customs (CBEC) that legal entity on all India basis should be taken was considered by the Committee and after due deliberations the suggestion was agreed to avoid tax evasion by the manufacturers/traders/dealers.

Voluntary Registration Facility

Person with all-India gross annual turnover below the threshold turnover would be allowed to take registration, if he wants to. By taking such voluntary registration he can enter the credit chain even prior to crossing the threshold limit.

Non Applicability of Threshold Exemption

As per Section 24 of the Act, no basic threshold shall be applicable in the following cases. Meaning thereby, the registration and GST payment, in the following cases, shall be made from the first transaction itself.

- (i) Persons making any inter-State taxable supply;
- (ii) Casual taxable persons making taxable supply; **(Defined under section 2 of GST Act' 2017)**
- (iii) Persons who are required to pay tax under reverse charge; **(Activities covered under RCM to be notified)**
- (iv) Person who are required to pay tax as Electronic Commerce Operator;

- (v) Non-resident taxable persons making taxable supply; ***(Defined under section 2 of GST Act' 2017)***
- (vi) Persons who are required to deduct tax (TDS) under section 51, whether or not separately registered under this Act;
- (vii) Persons who make taxable supply of 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.

CHAPTER 19

Job Work

Job work means undertaking any treatment or process by a person on goods belonging to another registered taxable person. The person who is treating or processing the goods belonging to other person is called 'job worker' and the person to whom the goods belongs is called 'principal'.

The provisions relating to job worker has been specified in Notification No. 214/86 – CE dated 23rd March, 1986 under Central Excise Law. The definition as per the GST law is much wider than the one given in central excise law. In the said notification, job work has been defined in such a manner so as to ensure that the activity of job work must amount to manufacture. Thus the definition of job work itself reflects the change in basic scheme of taxation relating to job work in the proposed GST regime.

The provisions relating to Job worker are contained in Section 19 and Section 143 of the CGST Act' 2017. The conclusion of the provisions are as below:-

GENERAL PROVISIONS RELATED TO JOB WORKER

Situations	Briefing
Whether goods sent to Job worker will be treated as Supply?	Yes, it shall be treated as a supply. However, GST shall not be payable, if specified conditions are fulfilled. The goods sent to a job worker shall be received within 1 year in case of Inputs and within 3 years in case of Capital Goods.

<p>What happen when inputs / Capital goods are not received back within the time limit</p>	<p>It would be considered as deemed supply of goods by the principal to the job worker, on the day when the said inputs or capital goods were sent out by the principal (or on the date of receipt by the job worker where the inputs or capital goods were sent directly to the place of business of job worker).</p> <p>Thus the principal would be liable to pay tax accordingly.</p>
<p>Provision relating to taking ITC on such inputs/capital goods</p>	<ul style="list-style-type: none"> • If goods supplied without payment of tax: Principal shall be entitled to take credit of taxes paid on inputs or capital goods. (This is the Special procedure followed by the Principal) • If goods supplied with payment of tax: In such a case, the job-worker would take the input tax credit and supply back the processed goods (after completion of job-work) on payment of GST.

In this regard, the following FAQs are also referred for easy understanding of the topic:-

Q 1. Is a job worker required to take registration?

Ans. Yes, as job work is a service, the job worker would be required to obtain registration if his aggregate turnover exceeds the prescribed threshold.

Q 2. Whether the goods of principal directly supplied from the job worker’s premises will be included in the aggregate turnover of the job worker?

Ans. No. It will be included in the aggregate turnover of the principal. However, the value of goods or services used by the job worker for carrying out the job work will be included in the value of services supplied by the job worker.

Q 3. Some capital goods like jigs and fixtures are non-usable after their use and normally sold as scrap. What is the treatment of such items in job work provisions?

Ans. The condition of bringing back capital goods within three years is not applicable to moulds, dies, jigs and fixtures or tools.

Q 4. What would be treatment of the waste and scrap generated during the job work?

Ans. The waste and scrap generated during the job work can be supplied by the job worker directly from his place of business, on payment of tax, if he is registered.

If he is not registered, the same would be supplied by the principal on payment of tax.

Q 5. Whether intermediate goods can also be sent for job work?

Ans. Yes. The term inputs, for the purpose of job work, includes intermediate goods arising from any treatment or process carried out on the inputs by the principal or job worker.

Q 6. Who is responsible for the maintenance of proper accounts related to job work?

Ans. It is completely the responsibility of the principal to maintain proper accounts of job work related inputs and capital goods.

Q 7. Are the provisions of job work applicable to all categories of goods?

Ans. No. The provisions relating to job work are applicable only when registered taxable person intends to send taxable goods. In other words, these provisions are not applicable to exempted or non-taxable goods or when the sender is a person other than registered taxable person.

Q 8. Should job worker and principal be located in same State or Union territory?

Ans. No this is not necessary as provisions relating to job work have been adopted in the IGST Act as well as in UTGST Act and therefore job-worker and principal can be located either in same State or in same Union Territory or in different States or Union Territories.

CHAPTER 20

Anti-Profiteering Measure

INTRODUCTION

The Central Goods and Services Tax Act, 2017 has been released by the Government, taking into consideration various representations received from the stake-holders. The finalized GST law is widely viewed by the industry to be liberal in many aspects, as it has done away with taxability of securities and free supplies between unrelated persons, exclusion of Government subsidies from the definition of consideration, simplification of job-work procedures, capping of tax rates, among other provisions.

The consumers are also given a reason to smile as the CGST Act passed on 12th April' 2017 provides to bring in a price control mechanism (Section 171) to ensure that input tax credits availed by any registered taxable person or the reduction in the price on account of any reduction in the tax rate under GST, have actually resulted in a commensurate reduction in the price of the said goods and/or services. For this purpose, the Government has to constitute an Authority or entrust an existing Authority to exercise powers and functions and impose penalty where it finds that the price has not been reduced on account of additional input tax credit or reduced tax rate under GST regime.

ANTI-PROFITEERING IN MALAYSIA

The concept of anti-profiteering already exists in Malaysia. There is Price Control and Anti-Profiteering Act 2011, in Malaysia which is enforced by way of National Price Council. It releases Shopper's Guide and also results to fix a benchmark prices i.e. it acts as price setter. They have inbuilt provision for imposition of heavier fines and penalties for those traders which fail to comply such requirement of price.

HISTORY OF ANTI-PROFITEERING IN INDIA

The Finance Minister had hinted that anti-profiteering provisions shall be incorporated in GST Act.

“Companies should be able to save on logistics, protect themselves better from imports and optimize operations, all of which should lead to reduced prices. In the long run, the tax rate will come down and with that, the price of many goods”.

“Currently, what the taxpayers are paying is phenomenally much higher. For almost 60-70% of the commodities on a weighted average, you are paying 27% plus a large number of other small taxes”

(Source Economic Times)

With the given background he has also expressed that such reduced prices should be passed over to the consumer. This may also be noted that the said concept is not new to India as in the State of Bengal, the West Bengal Anti-profiteering Act, 1958 was enacted to prevent profiteering in certain articles in daily use.

Unlike other countries, the provisions relating to anti-profiteering has also been introduced in CGST Act passed on 12th April' 2017. A strict interpretation of Section 171 of the Central Goods and Services Tax Act, 2017 requires a registered taxable person to pass on the benefit of every rupee accruing on account of additional input tax credit or reduced tax rate, to the next level of supply chain. Even the transition provisions under The Central Goods and Services Tax Act, 2017 (Section 171) provides to allow the credit of eligible duties and taxes in respect of inputs held in stock, subject to the condition that the person passes on the benefit of such credit by way of reduced prices to the recipient.

Section 171 of the CGST Act' 2017, which contains the provisions for Anti Profiteering Measure speaks as below:-

SECTION 171 – ANTI-PROFITEERING MEASURE

- (1) ***Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit 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.*

Why Anti Profiteering Measure?

The existing rate structure results in higher taxes on various products. Whereas, after GST, various products will see reduction in prices.

Hence, the Central Government wants to ensure that traders do not take advantage by using GST as an excuse to raise the price of goods for the purpose of making excessive profits. Rather, such reduction of cost should be passed over to the consumer.

How is the government going to control prices with anti-profiteering clause?

Ans.

It will be validated by way of enactment of separate law as well as constitution of a specific administrative authority to implement such a law.

Enactment of laws at par with Price Control and Anti-Profiteering Act 2011 of Malaysia.

Setting up of ministries like the Ministry of Domestic Trade, Cooperatives as well as Consumerism to monitor control and take action on any price increase due to excessive profiteering.

The Government will undertake various measures to ensure savings by the businesses is ultimately passed on to the consumers.

Creation of Shoppers' Guide, as well as making the hypermarkets act as price setters.

Incorporating provision for heavier fines and penalties for the traders who fail to follow such provisions.

Hypermarkets and Supermarkets like Big Bazaar, Reliance Retail etc will play a big role as price setters of various goods.

It may not be practically possible for a business to have one-to-one correlation between procurement and supply of goods and services, particularly the input tax credits on common input services. It is therefore desirable that the industry makes representation before the appropriate authority, to consider the following points before enforcement of anti-profiteering and price control clauses in Indian GST law:

1. The law should allow an assessee to demonstrate group, division or business vertical wise net margin, rather than for individual goods and services.

2. There should be flexibility for demonstrating profitability in percentage terms and not in absolute value.
3. Any price variation pre and post GST regime on account of additional input tax credit or reduced tax rate alone should trigger penal provisions.
4. Any increase in net margin that arises after adjusting price for additional input tax credit or reduced tax rate should not be viewed adversely.
5. Any increase in net margin for reasons and circumstances beyond the control of business should not be doubted.

Conclusion

This will result into various unforeseen litigation and cost auditing cannot be ruled out for various products. Companies should cautiously revisit their costing strategy so that unwanted disputes can be prevented. Since, hypermarkets and supermarkets will play an eminent role for setting price benchmark so the organized sector will see various considerations as well.

A detailed analysis of price change on account of uncertain factors like currency demonetization, inflation, seasonal price fluctuations, etc. and its impact on the company's pricing policy may also be undertaken to justify increase in net profit margin, if any. It is also advisable that an assessee migrating to GST regime identifies and quantifies input taxes that are not eligible as credit under the present regime. Such data may help assessees to demonstrate why price of their goods and/or services have not been reduced even after additional input tax credit eligibility or reduced tax rate under GST regime.

CHAPTER 21

Audit

Need for Audit

GST will assume high significance as one of the major contributor to the Government exchequer. As per the GST laws in India, the initial assessment shall be on the basis of the self-assessment. Therefore, there need to be a requirement for the provisions of audit to ensure that no tax leakages take place due to inadequate information of tax laws, negligence in maintaining records, human or technical errors and fraud.

An effective taxpayer audit plays a key role in improving compliance and augmenting tax revenues. It is one of the important compliance verification tools available to the tax administration to verify the correctness of the taxes self-assessed and reported in the tax returns besides complying with other legal obligations.

The present chapter discusses the types of audit that can be done under GST.

DEFINITION OF AUDIT

As per Section of the CGST Act' 2012, audit means the examination of records, returns and other documents maintained or furnished by the registered person 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.

Types of Audit

There are **three types of audit** prescribed in the GST Act as explained below:

- (a) **Audit by a Chartered Accountant or a Cost Accountant:** As per Section 35(5) of the CGST Act, every registered person whose turnover exceeds the prescribed limit, shall get his accounts audited by a chartered accountant or a cost accountant.
- (b) **Audit by Tax Authorities:** As per Section 65 of the CGST Act' 2017, **the Commissioner or any officer of CGST or SGST or UTGST authorized by him** may conduct audit of any registered person.
- (c) **Special Audit:** As per Section 66 of the CGST Act' 2017, if department is of the opinion that the value has not been correctly declared or credit availed is not with in the normal limits, **department may order special audit by chartered accountant or cost accountant**, nominated by department.

SECTION 65 – AUDIT BY TAX AUTHORITIES

Situations	Briefing
General Provision	In this type of audit, the Commissioner or any officer authorised by him, may undertake audit of any registered person.
Place	The audit may be conducted at the place of business of the registered person or in their office.
Information to the assessee	The Tax authorities shall inform the assessee by way of a notice not less than 15 working days prior to the conduct of audit.
Time of Completion	The audit shall be completed within a period of 3 months from the date of commencement of the audit. This period can be extended to 6 months.
Obligations of registered person	During the course of audit, the authorised officer may require the registered person <ol style="list-style-type: none"> 1. To afford him the necessary facility to verify the books of account or other documents as he may require; 2. To furnish such information as he may require and 3. Render assistance for timely completion of the audit.

Situations	Briefing
Conclusion of Audit	On conclusion of audit, the proper officer shall inform the registered person within 30 days, about the findings, his rights and obligations and the reasons for such findings.
Actions of Proper Officer	Where the audit 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 i.e. issuance of show cause notice.

SECTION 66 – SPECIAL AUDIT

Situations	Briefing
Circumstance under which special audit instituted	If at any stage of scrutiny, inquiry, investigation or any other proceedings , the Assistant Commissioner, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that <ul style="list-style-type: none"> • Value has not been correctly declared or • Credit availed is not within the normal limits,
Who can conduct audit	A chartered accountant or a cost accountant as may be nominated by the Commissioner
Time Limit	The person so nominated shall submit a report of such audit duly signed and certified by him within the period of 90 days. This period can be extended by further period of 90 days.

In this regard, the following FAQs are also referred below for easy understanding of the topic:-

Q 1. Whether an opportunity of being heard is given to the registered person whose special audit is conducted?

Ans. Yes, the registered person shall be given an opportunity of being heard in respect of any material gathered on the basis of special audit as per Section 66(4) of this Act.

Q 2. Who can serve the notice of communication for special audit?

Ans. The Assistant/ Deputy Commissioner is to serve the communication for special audit only after prior approval of the Commissioner.

Q 3. Who will bear the cost of special audit?

Ans. The expenses for examination and audit including the remuneration payable to the auditor will be determined and borne by the Commissioner.

Q 4. What action the tax authorities may take after the special audit?

Ans. Based on the findings / observations of the special audit, action can be initiated under Section 73 or Section 74 of the CGST/ SGST Act.

CHAPTER 22

Assessment

As per Section 2 of the CGST Act' 2017, the term assessment means “**Determination of Tax liability**” under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment. Thus, the types of assessment as per CGST Act' 2017, includes the following:-

1. Self-assessment.
2. Provisional Assessment
3. Best Judgement Assessment
 - Assessment of Non- filers of Return
 - Assessment of Unregistered person
4. Summary Assessment

Reasons of Assessment

1. **Self-Assessment:** It's a regular procedure of the Assesse for filing the Return under Sec 39.

Thus, in GST laws, first assessment is assessment by assessee on its own.

2. **Provisional Assessment:** As per section 60 of the CGST Act' 2017, this type of assessment can be applied in the following cases;-
 - To determine the value of goods or Services supplied by him; or
 - To determine the tax rate applicable to the goods or services to be supplied by him.

In such cases the taxable person has to execute a bond in the prescribed form, and with such surety or security as the proper officer may deem fit.

Thus, this type of assessment is resorted to, when there is some doubt with respect to the valuation, exemption, etc. In case of provisional assessment, no penalty is leviable if the liability increases at the time of final assessment as the issue is clear to the department and there cannot be said to be suppression of facts by the assessee.

3. Best Judgement Assessment: This type of assessment has been specified in Section 62 and 63 of the CGST Act' 2017. This assessment is undertaken in the following circumstances:-

- When assessee fails to furnish the return and/ or failure to disclose the correct tax
- When assessee fails to obtain registration or whose registration has been cancelled even though he is liable to pay the tax under this act.

This types of assessment can also be termed as high pitch assessment.

4. Summary Assessment : As per Section 67 of the CGST Act' 2017, this assessment can be initiated to protect the interest of revenue when:

- The proper officer has evidence that a taxable person has incurred a liability to pay tax under the Act, and
- The proper officer believes that delay in passing an assessment order will adversely affect the interest of revenue.

In this regard, the following FAQs are also referred below for easy understanding of the topic:-

Q 1. What recourse may be taken by the officer in case proper explanation is not furnished for the discrepancy detected in the return filed, while conducting scrutiny under CGST ACT?

Ans. If the taxable person does not provide a satisfactory explanation within 30 days of being informed (extendable by the officer concerned) or after accepting discrepancies, fails to take corrective action in the return for the month in which the discrepancy is accepted, the Proper Officer may take recourse to any of the following provisions:

- a) Proceed to conduct audit under Section 65 of the Act;
- b) Direct the conduct of a special audit under Section 66 which is to be conducted by a Chartered Accountant or a Cost Accountant nominated for this purpose by the Commissioner; or
- c) Undertake procedures of inspection, search and seizure under Section 67 of the Act; or

d) Initiate proceeding for determination of tax and other dues under Section 73 or 74 of the Act.

Q 2. Under what circumstances can a best judgment assessment order issued under section 60 be withdrawn?

Ans. The best judgment order passed by the Proper Officer under section 62 of CGST/SGST Act shall automatically stand withdrawn if the taxable person furnishes a valid return for the default period (i.e. files the return and pays the tax as assessed by him), within thirty days of the receipt of the best judgment assessment order.

Q 3. What is the time limit for passing assessment order u/s 62 (Best Judgment) and 63 (Non-filers)?

Ans. The time limit for passing an assessment order under section 62 or 63 is five years from the due date for furnishing the annual return.

Demand & Recovery

The Demand and Recovery of GST starts with the issuance of Show Cause Notice (SCN) under section 73 (Normal Cases within 3 years), 74 (Fraud Cases within 5 years), 76 (Tax collected but not paid having no time limit) and ends with the issuance of Adjudication Order. The complete stage is as follows:-

Reasons of issuance of Show Cause Notices (SCNs) i.e. Demand

The adjudication in GST arises on account of the following reasons:-

1. **Shortfall Detections by the Tax authorities**– This type of litigation normally arises only when either an assessee commits a procedural lapse or any contravention of the law is detected by the tax authorities during scrutiny of the assessee’s periodical returns or monitoring an assessee’s activities required under provisions of the specific benefits being availed by them.
2. **Audit objection** – Department audit is the trend these days in indirect tax regime. If the assessee does not agree with any of the objection raised by the audit team, the department is bound to issue a show cause notice. In the current indirect tax regime, the department has streamlined issuance of show cause notices based on such audit objections by entrusting the job of drafting and getting the show cause notice issued on the audit team itself. This ensures that the show cause notice is not only drafted properly, clearly bringing out the view of the department, but also ensures that the same is issued after placing reliance on, all the requisite information/documents.
3. **Detections by Preventive/Anti Evasion** – Another source of generation of litigation is detection of evasion of tax by the Preventive/Anti-evasion

wings. Here again, the litigation arises when the assessee/evader does not agree with the point of view of the department or is unable to discharge his tax liability and interest, penalty thereon.

4. **CERA objection** – As per the current indirect tax regime, in Circular No. 5/83-CX.6 (F.No. 210/29/81-CX.6) dated 10-3-1983, CBEC had directed, *inter alia*, that immediately on receipt of objection from the Accountant General’s Audit Party, demand-cum-show-cause-notice should be issued without any loss of time even if the Central Excise Officers do not agree with the Audit’s point of view and such demand-cum-show-cause notice may be withdrawn where Department’s stand is ultimately accepted by the Accountant General’s Office and the objection is settled. Now, Board has taken a bold decision that every objection by CAG’s Audit will not result in a Show Cause Notice. New Circular No 1023/11/2016-CX, dated: April 8, 2016 has been issued in this regard.

Tabular Presentation of Demand

CASE A- Tax is short paid or not paid; or amount erroneously refunded; or Input Tax Credit wrongly availed or utilized

Particulars	Demand in Normal cases i.e. other than fraud, wilful- misstatement or suppression of facts (Sec 73)	Demand in case of fraud; or wilful- misstatement or suppression of facts (Sec 74)
What steps to be taken by proper officer	He shall issue a notice at least 3 months prior to the time limit set for adjudication.	He shall issue a notice at least 6 months prior to the time limit set for adjudication.
Time limit for Adjudication	Within 3 years from the due date for filing of annual return for the financial year to which demand relates.	Within 5 years from the due date for filing of annual return for the financial year to which demand relates.
Payment of Tax as stipulated in SCN	Tax amount along with Interest is to be paid within 30 days of issuance of notice, No penalty shall be payable	Tax amount is to be paid along with Interest and Penalty (which is 50% of such tax) within 30 days of issuance of notice

Particulars	Demand in Normal cases i.e. other than fraud, wilful- misstatement or suppression of facts (Sec 73)	Demand in case of fraud; or wilful- misstatement or suppression of facts (Sec 74)
Reasons for non-issuance of SCN	When person pays the amount of tax along with interest either on his own or ascertained by the proper officer before issuance of SCN	When person pay the amount of tax along with interest and penalty equal to 15% of the tax involved, as ascertained either on his own or ascertained by the proper officer

CASE B- Tax collected but not paid to government

Particulars	Briefing
What steps to be taken by proper officer	In such cases, the proper officer may issue SCN for recovery of such amount along with interest and penalty equivalent to such amount.
Time limit to issue of SCN	There is no time limit . Notice can be issued on detection of such cases without any time limit.

Modes of Recovery of Tax by officer

As per section 79 of the Act, the proper officer may recover the dues in following manner:

- a) Deduction of dues from the amount owned by the tax authorities payable to such person.
- b) Recovery by way of detaining and selling any goods belonging to such person;
- c) Recovery from 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 credit of the Central or a State Government;
- d) Distrain any movable or immovable property belonging to such person, until the amount payable is paid. If the dues not paid within 30days, the said property is to be sold and with the proceeds of such sale the amount payable and cost of sale shall be recovered.

- e) Through the Collector of the district in which such person owns any property or resides or carries on his business, as if it was an arrear of land revenue.
- f) By way of an application to the appropriate Magistrate who in turn shall proceed to recover the amount as if it were a fine imposed by him.
- g) Through enforcing the bond /instrument executed under this Act or any rules or regulations made thereunder.
- h) CGST arrears can be recovered as an arrear of SGST and vice-versa.

In this regard, the following FAQs are also referred below for easy understanding of the topic:-

Q 1. What will happen in cases where notice is issued but order has not been passed under section 73 & 74 within time specified for adjudication under these sections?

Ans. Section 75 provides for deemed conclusion of the adjudication proceedings if the order is not issued within time limit prescribed under these sections.

Q 2. Whether the payment of tax dues can be made in installments?

Ans. On receipt of any such request, Commissioner/Chief Commissioner may extend the time for payment or allow payment of any amount due under the Act, other than the amount due as per the liability self-assessed in any return, by such person in monthly installments not exceeding twenty four, subject to payment of interest under section 50 with such limitations and conditions as may be prescribed. However, where there is default in payment of any one installment on its due date, the whole outstanding balance payable on such date shall become payable and recovered without any further notice.

Q 3. If a taxable person with pending tax dues, transfers his business to another person, what would happen to the tax dues?

Ans. The person, to whom the business is transferred, shall jointly and severally be liable to pay the tax, interest or penalty due from the taxable person up to the time of such transfer, whether such dues has been determined before such transfer, but has remained unpaid or is determined thereafter.

Inspection, Search, Seizure & Arrest

The provisions relating to Inspection, Search, Seizure and Arrest are contained in Sections 67 to 72 of the GST Act' 2017.

Briefing some Important Definitions

➤ **Inspection:**

Inspection' is a new provision under the CGST/SGST Act. It is a **softer provision than search to enable officers to access any place of business of a taxable person** and also any place of business of a person engaged in transporting goods or who is an owner or an operator of a warehouse or godown

➤ **Search:**

As per Black"s Law dictionary search is *"An examination of a man's house or other buildings or premises, or of his person, with a view to the discovery of contraband or illicit or stolen property, or some evidence of guilt to be used in the prosecution of a criminal action for some crime or offense with which he is charged."*

As per law dictionary and as noted down in different judicial pronouncements the term "search", in simple language, denotes an action of a government machinery to go, look through or examine carefully a place, area, person, object etc. in order to find something concealed or for the purpose of discovering evidence of a crime. The search of a person or vehicle or premises etc. can only be done under proper and valid authority of law.

➤ **Seizure:**

The term ‘seizure’ has not been specifically defined in the GST Law. In Law Lexicon Dictionary, ‘seizure’ is defined *as the act of **taking possession of property by an officer under legal process.** It generally implies **taking possession forcibly contrary to the wishes of the owner** of the property or who has the possession and who was unwilling to part with the possession.*

➤ **Arrest:**

The term ‘arrest’ has not been defined in the CGST/SGST Act. However, as per judicial pronouncements, it denotes **‘the taking into custody of a person under some lawful command or authority’.**

Tabular presentation of Power of Inspection, Search and Seizure as given under section 67 of CGST Act

Provision	Briefing
Who can Inspect?	Inspection can be carried out by an officer of CGST/SGST only upon a written authorization given by an officer of the rank of Joint Commissioner or above.
Under What Circumstances Inspection can be done?	<p>A Joint Commissioner or an officer higher in rank can give such authorization only if he has reasons to believe that the person concerned has done one of the following:</p> <ol style="list-style-type: none"> 1. Suppressed any transaction of supply; 2. Suppressed stock of goods in hand; 3. Claimed excess input tax credit; 4. Contravened any provision of the CGST act to evade tax; 5. A transporter or warehouse owner has kept goods which have escaped payment of tax or has kept his accounts or goods in a manner that is likely to cause evasion of tax.
Power of the Authorized Officer	<p>If he has reason to believe that any goods liable to confiscation or any documents or books or things, are secreted in any place,</p> <ul style="list-style-type: none"> • He may authorize in writing any other officer or may himself to search and seize such goods, documents or books or things, • If it is not practicable to seize any such goods, the proper officer may serve on the owner or the

Provision	Briefing
	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.
S a f e g u a r d s in respect of Search & Seziure	<p>These are as follows:</p> <ol style="list-style-type: none"> 1. Seized goods or documents should not be retained beyond the period necessary for their examination; 2. Photocopies of the documents can be taken by the person from whose custody documents are seized; 3. For seized goods, if a notice is not issued within six months of its seizure, goods shall be returned to the person from whose possession it was seized. This period of six months can be extended on justified grounds up to a further period of maximum six months 4. An inventory of seized goods shall be made by the seizing officer; 5. Certain categories of goods to be specified under CGST Rules (such as perishable, hazardous etc.) can be disposed of immediately after seizure 6. Provisions of Code of Criminal Procedure 1973 relating to search and seizure shall apply. However, one important modification is in relation to sub-section (5) of section 165 of Code of Criminal Procedure – instead of sending copies of any record made in course of search to the nearest Magistrate empowered to take cognizance of the offence, it has to be sent to the Principal Commissioner/ Commissioner of CGST/ Commissioner of SGST

Power to Arrest & Power to issue Summons to give evidences – Sec 69 & 70 respectively

Provision	Briefing
When the proper officer can arrest	<p>The Commissioner of CGST can authorize a CGST officer to arrest a person</p> <ul style="list-style-type: none"> • If he has reasons to believe that the person has committed an offence attracting a punishment

Provision	Briefing
	<p>prescribed under section 132(1) (a), (b), (c), (d) or Sec 132(2) of the CGST/SGST Act</p> <p>Person can be arrested only where the tax evasion is more than 2 crore rupees or where a he has been convicted earlier under CGST Act.</p>
<p>Safeguards for a person who is placed under arrest</p>	<ol style="list-style-type: none"> 1. If a person is arrested for a cognizable offence, he must be informed in writing of the grounds of arrest and he must be produced before a magistrate within 24 hours of his arrest 2. If a person is arrested for non- cognizable & bailable offence: The Deputy/ Assistant Commissioner of CGST/SGST can release him on bail and he will be subject to the same provisions as an officer in-charge of a police station under section 436 of the Code of Criminal Procedure, 1973;
<p>When the proper officer can issue summon</p>	<p>Summon can be issued by duly authorized CGST/SGST officer to call upon a person to present himself before the officer to</p> <ul style="list-style-type: none"> • Either give evidence or produce a document or • Any other thing in any inquiry which an officer is making.
<p>Responsibilities of the person so summoned</p>	<p>He is legally bound to attend (either in person or by an authorized representative) and he is bound to state the truth before the officer who has issued the summon upon any subject which is the subject matter of examination and to produce such documents and other things as may be required.</p>
<p>Consequences of Non-Appearance to Summons</p>	<ol style="list-style-type: none"> 1. If a person does not appear on the date when summoned without any reasonable justification, he can be prosecuted under section 174 of the Indian Penal Code (IPC). 2. If he absconds to avoid service of summons, he can be prosecuted under section 172 of the IPC and 3. In case he does not produce the documents or electronic records required to be produced, he can be prosecuted under section 175 of the IPC.

Provision	Briefing
	<p>4. In case he gives false evidence, he can be prosecuted under section 193 of the IPC.</p> <p>In addition, if a person does not appear before a CGST/SGST officer who has issued the summon, he is liable to a penalty up to Rs 25,000/-</p>

In this regard, the following FAQs are also referred below for easy understanding of the topic:-

INSPECTION, SEARCH & SEIZURE RELATED FAQ'S

Q 1. Is it mandatory that 'reasons to believe' has to be recorded in writing by the proper officer, before issuing authorization for Inspection or Search and Seizure?

Ans. Although the officer is not required to state the reasons for such belief before issuing an authorization for search, he has to disclose the material on which his belief was formed. 'Reason to believe' need not be recorded invariably in each case. However, it would be better if the materials / information etc. are recorded before issue of search warrant or before conducting search.

Q 2. What is a Search Warrant and what are its contents?

Ans. The written authority to conduct search is generally called search warrant. The competent authority to issue search warrant is an officer of the rank of Joint Commissioner or above. A search warrant must indicate the existence of a reasonable belief leading to the search. Search Warrant should contain the following details:

- (i) The violation under the Act
- (ii) The premise to be searched
- (iii) The name and designation of the person authorized for search
- (iv) The name of the issuing officer with full designation along with his round seal
- (v) Date and place of issue
- (vi) Serial number of the search warrant
- (vii) Period of validity i.e. a day or two days etc.

Q 3. When does goods become liable to confiscation under the provisions of CGST/SGST Act?

Ans. As per section 130 of SGST/SGST Act, goods become liable to confiscation when any person does the following:

- (i) Supplies or receives any goods in contravention of any of the provisions of this Act or rules made thereunder leading to evasion of tax
- (ii) Does not account for any goods on which he is liable to pay tax under this Act;
- (iii) Supplies any goods liable to tax under this Act without having applied for the registration
- (iv) Contravenes any of the provisions of the CGST/ SGST Act or rules made thereunder with intent to evade payment of tax.

Q 5. What are the basic requirements to be observed during Search operations?

Ans. The following principles should be observed during Search:

- (i) No search of premises should be carried out without a valid search warrant issued by the proper officer
- (ii) There should invariably be a lady officer accompanying the search team to residence
- (iii) The officers before starting the search should disclose their identity by showing their identity cards to the person in-charge of the premises
- (iv) The search warrant should be executed before the start of the search by showing the same to the person in-charge of the premises and his signature should be taken on the body of the search warrant in token of having seen the same. The signatures of at least two witnesses should also be taken on the body of the search warrant
- (v) The search should be made in the presence of at least two independent witnesses of the locality. If no such inhabitants are available /willing, the inhabitants of any other locality should be asked to be witness to the search. The witnesses should be briefed about the purpose of the search.
- (vi) Before the start of the search proceedings, the team of officers conducting the search and the accompanying witnesses should offer themselves for their personal search to the person in-charge of the premises being searched. Similarly, after the completion of search all the officers and the witnesses should again offer themselves for their personal search.
- (vii) A Panchnama / Mahazar of the proceedings of the search should necessarily be prepared on the spot. A list of all goods, documents recovered and seized/ detained should be prepared and annexed to the Panchnama/Mahazar. The Panchnama / Mahazar and the list of goods/ documents seized/detained should invariably be signed by the witnesses, the in-charge/ owner of the

premises before whom the search is conducted and also by the officer(s) duly authorized for conducting the search.

- (viii) After the search is over, the search warrant duly executed should be returned in original to the issuing officer with a report regarding the outcome of the search. The names of the officers who participated in the search may also be written on the reverse of the search warrant
- (ix) The issuing authority of search warrant should maintain register of records of search warrant issued and returned and used search warrants should be kept in records
- (x) A copy of the Panchnama / Mahazar along with its annexure should be given to the person in- charge/owner of the premises being searched under acknowledgement

Q 7. Does GST Act have any power of detention of goods and conveyances?

Ans. Yes, under Section 129 of CGST/SGST Act, an officer has power to detain goods along with the conveyance (like a truck or other types of vehicle) transporting the goods. This can be done for such goods which are being transported or are stored in transit in violation of the provisions of CGST/SGST Act. Goods which are stored or are kept in stock but not accounted for can also be detained. Such goods and conveyance shall be released after payment of applicable tax or upon furnishing security of equivalent amount.

Q 8. What is the distinction in law between ‘Seizure’ and ‘Detention’?

Ans. Denial of access to the owner of the property or the person who possesses the property at a particular point of time by a legal order/notice is called detention.

Seizure is taking over of actual possession of the goods by the department. Detention order is issued when it is suspected that the goods are liable to confiscation. Seizure can be made only on the reasonable belief which is arrived at after inquiry/investigation that the goods are liable to confiscation.

FAQ’S RELATING TO ARREST

Q 1. What is a cognizable offence?

Ans. Generally, cognizable offence means serious category of offences in respect of which a police officer has the authority to make an arrest without a warrant and to start an investigation with or without the permission of a court.

Q 2. What is a non-cognizable offence?

Ans. Non-cognizable offence means relatively less serious offences in respect of which a police officer does not have the authority to make an arrest without a warrant and an investigation cannot be initiated without a court order.

Q 3. What are cognizable and non-cognizable offences under CGST Act?

Ans. In section 132 of CGST Act, it is provided that the offences relating to taxable goods and /or services where the amount of tax evaded or the amount of input tax credit wrongly availed or the amount of refund wrongly taken exceeds Rs. 5 crore, shall be cognizable and non-bailable. Other offences under the act are non-cognizable and bailable.

Q 4. What are the broad guidelines for arrest followed in CBEC?

Ans. Decision to arrest needs to be taken on case-to- case basis considering various factors, such as, nature and gravity of offence, quantum of duty evaded or credit wrongfully availed, nature and quality of evidence, possibility of evidences being tampered with or witnesses being influenced, cooperation with the investigation, etc. Power to arrest has to be exercised after careful consideration of the facts of the case which may include:

- (i) To ensure proper investigation of the offence
- (ii) To prevent such person from absconding
- (iii) Cases involving organized smuggling of goods or evasion of customs duty by way of concealment
- (iv) Master minds or key operators effecting proxy/ benami imports/exports in the name of dummy or non-existent persons/IECs, etc.
- (v) Where the intent to evade duty is evident and element of mensrea/guilty mind is palpable
- (vi) Prevention of the possibility of tampering with evidence
- (vii) Intimidating or influencing witnesses; and
- (viii) Large amounts of evasion of tax at least exceeding one crore rupees

FAQ'S RELATING TO SUMMONS

Q 1. What are the guidelines for issue of summons?

Ans. The Central Board of Excise and Customs (CBEC) in the Department of Revenue, Ministry of Finance has issued guidelines from time to time to ensure that summons provisions are not misused in the field. Some of the important highlights of these guidelines are given below:

1. Summons are to be issued **as a last resort where assesses are not co-operating** and this section should not be used for the top management
2. The **language of the summons should not be harsh and legal** which causes unnecessary mental stress and embarrassment to the receiver

3. **Summons by Superintendents should be issued after obtaining prior written permission** from an officer not below the rank of Assistant Commissioner with the reasons for issuance of summons to be recorded in writing;
4. Where for **operational reasons, it is not possible to obtain such prior written permission**, oral/ telephonic permission from such officer must be obtained and the same should be reduced to writing and intimated to the officer according such permission at the earliest opportunity
5. In all cases, where summons are issued, **the officer issuing summons should submit a report or should record a brief of the proceedings** in the case file and submit the same to the officer who had authorized the issuance of summons
6. Senior management officials such as **CEO, CFO, General Managers of a large company or a Public Sector Undertaking** should not generally be issued summons at the first instance. They should be **summoned only** when there are indications in the **investigation of their involvement in the decision making process** which led to loss of revenue.

Q 2. What are the precautions to be observed while issuing summons?

Ans. The following precautions should generally be observed when summoning a person: -

1. A summon should not be issued for appearance where it is not justified. The power to summon can be exercised only when there is an inquiry being undertaken and the attendance of the person is considered necessary
2. Normally, summons should not be issued repeatedly. As far as practicable, the statement of the accused or witness should be recorded in minimum number of appearances
3. Respect the time of appearance given in the summons. No person should be made to wait for long hours before his statement is recorded except when it has been decided very consciously as a matter of strategy.
4. Preferably, statements should be recorded during office hours; however, an exception could be made regarding time and place of recording statement having regard to the facts in the case.

CHAPTER 25

Offences and Penalties

The provisions relating to offences and penalties are contained under sections 122 to 138 of the CGST Act' 2017. The tabular presentation is as below:-

The Offences and Penalties as per section 122 under CGST Act

Offences	Penalties
The said offences are as follows: - <ol style="list-style-type: none">1. Making a supply without invoice or with false/incorrect invoice;2. Issuing an invoice without making supply;3. Not paying tax collected for a period exceeding 3 months;4. Not paying tax collected in contravention of the CGST/SGST Act for a period exceeding 3 months;5. Non deduction or lower deduction of tax deducted at source or not depositing tax deducted at source under section 51;6. Non collection or lower collection of or non-payment of tax collectible at source under section 52;7. Availing/utilizing input tax credit without actual receipt of goods and/or services;	Amount equivalent to: <ul style="list-style-type: none">• Rs. 10,000; or• The amount of Tax involved Whichever is higher

Offences	Penalties
<ol style="list-style-type: none"> 8. Fraudulently obtaining any refund; 9. Availing/distributing input tax credit by an Input Service Distributor in violation of Section 20; 10. Furnishing false information or falsification of financial records or furnishing of fake accounts/ documents with intent to evade payment of tax; 11. Failure to register despite being liable to pay tax; 12. Furnishing false information regarding registration particulars either at the time of applying for registration or subsequently; 13. Obstructing or preventing any official in discharge of his duty; 14. Transporting goods without prescribed documents; 15. Suppressing turnover leading to tax evasion; 16. Failure to maintain accounts/ documents in the manner specified in the Act or failure to retain accounts/documents for the period specified in the Act; 17. Failure to furnish information/ documents required by an officer in terms of the Act/Rules or furnishing false information /documents during the course of any proceeding; 18. Supplying/transporting/storing any goods liable to confiscation; 19. Issuing invoice or document using GSTIN of another person; 20. Tampering/destroying any material evidence; 21. Disposing of /tampering with goods detained/ seized/attached under the Act. 	
<p>Any registered person who supplies goods or services on which tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised,-</p>	<p>Higher of</p> <ul style="list-style-type: none"> • Rs. 10,000; or 10% of the tax due

Offences	Penalties
<ul style="list-style-type: none"> For any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax For reason of fraud or any wilful misstatement or suppression of facts to evade tax 	<ul style="list-style-type: none"> Rs. 10,000; or tax due
Other than Taxable person who - <ul style="list-style-type: none"> Aids or abets any of 21 offences deals in any way (whether receiving, supplying, storing or transporting) with goods that are liable to confiscation,; Receives or deals with supply of services in contravention of the Act, Fails to appear before an authority had issued a summon Fails to issue any invoice for a supply or account for any invoice in his books of accounts. 	Penalty may be extended to Rs. 25,000

Other penalties on Offences

Offences	Penalties
Sec 123: Penalty for failure to furnish information return If person fails furnish an information return under section 150 within the period specified in the notice issued under sub-section (3)	Rs. 100 for each day. But it shall not exceed Rs. 5,000
Sec 124: Fine for failure to furnish statistics. If any person required to furnish any information or return under section 151,—	Rs. 10,000 If continue offence, it may extend to
<ul style="list-style-type: none"> without reasonable cause willfully furnishes or causes 	Rs. 100 each day but subjected to maximum limit Rs. 20,000
Sec 125: General Penalty Any person, who contravenes any of the provisions of this Act or any rules made thereunder	It may extend to Rs. 25,000

Offences	Penalties
<p>Sec: 129 : Detention, seizure and release of goods and conveyances in transit.</p> <p>If any person transports any goods or stores any such goods while in transit without the documents prescribed under the Act (i.e. invoice and a declaration) or supplies or stores any goods that have not been recorded in the books or accounts maintained by him,</p> <p>Then such goods shall be liable for detention along with any vehicle on which they are being transported.</p> <p>➤ Where owner comes forward: -</p> <ol style="list-style-type: none"> 1. Such goods shall be released on payment of the applicable tax 2. In case of exempted goods <p>➤ Where owner does not come forward: -</p> <ol style="list-style-type: none"> 1. Such goods shall be released on payment of the applicable tax 2. In case of exempted goods 	<ul style="list-style-type: none"> • Penalty equal to 100% of tax • 2% of Value of Goods; or Rs. 25,000, whichever is less • Penalty equal to 50% of tax • 5% of Value of Goods; or Rs. 25,000, whichever is less

GENERAL DISCIPLINES RELATED TO PENALTY

The levy of penalty is subject to a certain disciplinary regime which is based on jurisprudence, principles of natural justice and principles governing international trade and agreements. Such general discipline is enshrined **in section 126 of the Act**. Accordingly—

- No penalty is to be imposed without issuance of a show cause notice and proper hearing in the matter, affording an opportunity to the person proceeded against to rebut the allegations leveled against him,
- The penalty is to depend on the totality of the facts and circumstances of the case,
- The penalty imposed is to be commensurate with the degree and severity of breach of the provisions of the law or the rules alleged,
- The nature of the breach is to be specified clearly in the order imposing the penalty;
- The provision of the law under which the penalty has been imposed is to be specified.

Section 126 further specifies that, in particular, no substantial penalty is to be imposed for —

- Any minor breach (minor breach has been defined as a violation of the provisions in a case where the tax involved is less than Rs.5000), or
- A procedural requirement of the law, or
- An easily rectifiable mistake/omission in documents (explained in the law as an error apparent on record) that has been made without fraudulent intent or gross negligence.

PROVISIONS RELATING TO CONFISCATION

The word ‘confiscation’ has not been defined in the Act. The concept is derived from Roman Law wherein it meant seizing or taking into the hands of emperor, and transferring to Imperial “fiscus” or Treasury. The word “confiscate” has been defined in Aiyar’s Law Lexicon as to “appropriate (private property) to the public treasury by way of penalty; to deprive of property as forfeited to the State.” In short it means transfer of the title to the goods to the Government.

<p>Circumstances under which goods can be confiscated</p>	<p>Under Section 70 of the CGST Act, goods shall be liable to confiscation if any person:</p> <ul style="list-style-type: none"> ➤ Supplies or receives any goods in contravention of any provision of this Act and such contravention results in evasion of tax payable under the Act, or ➤ Does not account for any goods in the manner required under the Act, or ➤ Supplies goods that are liable to tax under the Act without applying for registration, or ➤ Uses any conveyance as a means of transport for carriage of goods in contravention of the provisions of CGST/SGST Act (unless used without knowledge of owner) ➤ Contravenes any provision of the Act/Rules with the intention of evading payment of tax.
<p>What happens to the goods upon confiscation of goods by the proper officer?</p>	<p>Upon confiscation, the title in the confiscated goods shall vest in the Government and every Police officer to whom the proper officer makes a request in this behalf, shall assist in taking possession of the goods.</p>

<p>After confiscation, is it required to give option to the person to redeem the goods?</p>	<p>Yes. In terms of section 130(2), the Owner or the person in-charge of the goods liable to confiscation is to be given the option for fine (not exceeding market price of confiscated goods) in lieu of confiscation. This fine shall be in addition to the tax and other charges payable in respect of such goods.</p>
<p>Can any conveyance carrying goods without cover of prescribed documents be subject to confiscation?</p>	<p>Yes. Section 130 provides that any conveyance carrying goods without the cover of any documents or declaration prescribed under the Act shall be liable to confiscation. However, if the owner of the conveyance proves that the goods were being transported without cover of the required documents/declarations without his knowledge or connivance or without the knowledge or connivance of his agent then the conveyance shall not be liable to confiscation as aforesaid.</p>

CHAPTER 26

Appeal

In the Indirect Taxation, both assessee and the Department have been conferred with a right of two or three stage appellate remedies. Against the orders passed by the officers of the rank of Principal Commissioner /Commissioner of Central Excise/Customs/Service Tax or passed by ADG(Adjudication), DRI/DGCEI in the capacity of an adjudicating authority, the first appeal lies before the Customs, Excise & Service Tax Appellate Tribunal (i.e. CESTAT).

However, against the orders passed by the officers, who are lower than the rank of Principal Commissioner /Commissioner of Central Excise /Customs /Service Tax, the first appeal lies to the Commissioner (Appeals) and there from, appeals lies either to the Joint Secretary (Revision Application) or CESTAT, as the case may be.

Against the Order Passed by CESTAT, the Appeal lies before the High Court (in cases other than cases relating to determination of the rate of duty or value of goods) or before the Supreme Court directly if the case relates to the Rate of duty or value of goods, as the case may be. Where the order of the Tribunal does not relate to determination of rate of duty or value of goods, an appeal lies to the High Court.

Appeal is a Statutory Right

- Appeal is filed if Statute makes an order Appealable.
- Appellate channel is from CCE (A) to Supreme Court or from CESTAT to Supreme Court.

Writ is a Constitutional Right

- Writ is filed if Statute does not make an order Appealable.

- Writ Petition is filed before High Court in terms of Article 226 of Constitution of India.

BINDLING EFFECT OF DECISION OF APPELLATE AUTHORITIES

APPELLATE FORUM	BINDING EFFECT
CCE (APPEAL)	<p>UNION OF INDIA Versus KAMLAKSHI FINANCE CORPORATION LTD. [1991 (55) E.L.T. 433 (S.C.)]</p> <p>It is of utmost importance that, in disposing of the quasi-judicial issues before them, revenue officers are bound by the decisions of the appellate authorities. The order of the Appellate Collector is binding on the Assistant Collectors working within his jurisdiction.</p>
CESTAT	<p>Decisions given by any bench of Tribunals is of precedent value and is binding all over India.</p> <p>CCE Versus N.K. MODI & CO. [2006 (2) S.T.R. 78 (Tri. - Kolkata)]</p> <p>In the present case, the tribunal holds that the decision given by any Bench of Tribunal is of precedent value and is binding on all the parties. Relevant para is reproduced below:-</p> <p>“This is the Revenue’s appeals against the Order of the Commissioner (Appeals) vide which following the ratio of the Tribunal’s judgment in the case of <i>K.R. Choksey & Co. v. C.C.Ex., Mumbai-I</i> reported in 1996 (88) E.L.T. 566 (Tribunal), he held where the brokerage collected was shown to be inclusive of service tax and where the fact was indicated in all the relevant documents, there was no justification for calculating the service tax on the brokerage so inclusive of service tax. As such, following the said decision, he has held that the element of service tax has to be taken out before calculating the service tax. Revenue in their memo of appeal has said that the said decision of the Tribunal given by the Bombay Bench is not binding on the parties falling under the jurisdiction of the Eastern Bench. We are not convinced with the above argument of the Revenue. The decision given by any Bench of the Tribunal is of precedent value and is binding on all the parties. Accordingly, we do not find any infirmity in the Order of the Commissioner (Appeals) and reject the Revenue’s appeal.”</p>

APPELLATE FORUM	BINDING EFFECT
	<p>JAY ELECTRIC LTD. Versus CCE [2000 (118) E.L.T. 737 (Tribunal)]</p> <p>The tribunal held that ‘the Tribunal is an all India body, and there is no territorial jurisdiction as in the case of a High Court for a bench of the Tribunal’.</p>
<p>A u t h o r i t y of Advance Ruling</p>	<p>SECTION 103 of CGST Act’ 2017</p> <p>The advance ruling pronounced by the Authority and shall be binding only -</p> <p>(a) On the applicant who had sought it;</p> <p>(b) In respect of any matter referred;</p> <p>(c) On the jurisdictional officer of the applicant.</p>
<p>High Court</p>	<p>The decisions of the High Court are binding on the subordinate courts and authorities or Tribunals under its superintendence throughout the territories in relation to which it exercises jurisdiction. It does not extend beyond its territorial jurisdiction.</p>
<p>S u p r e m e Court</p>	<p>In accordance with Article 141 of Constitution of India, law declared by the Supreme Court shall be binding on all courts within the territory of India.</p> <p>The law declared by the Supreme Court being binding on all courts in India, the decisions of the Supreme Court are binding on all courts, except, however, the Supreme Court itself which is free to review the same and depart from its earlier opinion if the situation so warrants. What is binding is, of course, the ratio of the decision and not every expression found therein.</p>

The provisions for Appeal are contained under sections 107 to sections 121 of the CGST Act’ 2017.

Advance Ruling

Need for Advance Ruling

The need for setting up Advance ruling is to

- Provide **certainty in tax liability** in advance in relation to an activity proposed to be undertaken by the applicant;
- **Attract Foreign Direct Investment (FDI)**;
- **Reduce litigation**;
- Pronounce ruling expeditiously in **transparent and inexpensive manner**

As per section 95 of CGST/SGST Law and section 12 of UTGST law, 'advance ruling' means a decision provided by the authority or the Appellate Authority to an applicant on matters or on questions specified in section 97(2) or 100(1) of CGST/SGST Act as the case may be, in relation to the supply of goods and/or services proposed to be undertaken or being undertaken by the applicant.

Questions on which Advance Ruling can be sought

- a) Classification of any goods or services or both.
- b) Applicability of a notification issued under provisions of the GST Act(s).
- 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 under the Act.
- f) Whether applicant is required to be registered under the Act.

- g) Whether any particular thing done by the applicant with respect to any goods or services amounts to or results in a supply of goods or services, within the meaning of that term.

Procedure for obtaining Advance Ruling (Sec 97 & 98)

Section 97 and 98 deals with procedure for obtaining advance ruling. Section 97 provides that the applicant desirous of obtaining advance ruling should make application to AAR in a prescribed form and manner. The format of the form and the detailed procedure for making application will be prescribed in the Rules.

Section 98 provides the procedure for dealing with the application for advance ruling. The AAR shall send a copy of application to the officer in whose jurisdiction the applicant falls and call for all relevant records. The AAR may then examine the application along with the records and may also hear the applicant. Thereafter AAR will pass an order either admitting or rejecting the application

Once the application is admitted, the AAR shall pronounce its ruling **within 90 days** of receipt of application.

Before giving the ruling, AAR must hear the applicant or his authorized representative as well as the jurisdictional officers of CGST/SGST/UTGST.

Circumstances under which application is compulsory rejected

- If the question raised in the application is already pending or decided in any proceedings in the case of applicant under any of the provisions of GST Act(s)
- If the application is rejected, it should be by way of a speaking order giving the reasons for rejection.

Provisions for appeals against order of AAR

The provisions of appeal before AAAR are dealt in section 100 and 101 of CGST/SGST Act or section 14 of the UTGST Act.

If the applicant is aggrieved with the finding of the AAR, he can file an appeal with AAAR (Appellate Authority for Advance Ruling). Similarly, if the concerned or jurisdictional officer of CGST/SGST/UTGST does not agree with the finding of AAR, he can also file an appeal with AAAR. The word concerned officer of CGST/SGST means an officer who has been designated by the CGST/SGST administration in regard to an application for advance ruling. In normal circumstances, the concerned officer will be the officer in whose jurisdiction the applicant is located. In such cases the concerned officer will be the jurisdictional CGST/SGST officer.

Any appeal must be filed within thirty days from the receipt of the advance ruling. The appeal has to be in prescribed form and has to be verified in prescribed manner. This will be prescribed in the Model GST Rules.

The Appellate Authority must pass an order after hearing the parties to the appeal within a period of ninety days of the filing of an appeal. If members of AAAR differ on any point referred to in appeal, it shall be deemed that no advance ruling is issued in respect of the question under appeal.

Whether Appeal can be filed before High Court or Supreme Court against the ruling of Appellate Authority for Advance Rulings?

The CGST /SGST Act do not provide for any appeal against the ruling of Appellate Authority for Advance Rulings. Thus no further appeals lie and the ruling shall be binding on the applicant as well as the jurisdictional officer in respect of applicant. However, Writ Jurisdiction may lie before Hon'ble High Court or the Supreme Court.

In this regard, the following FAQs are also referred below for easy understanding of the topic:-

Q 1. Is it necessary for a person seeking advance ruling to be registered?

Ans. No, any person registered under the GST Act(s) or desirous of obtaining registration can be an applicant. (Section 95(b))

Q 2. Whether the advance ruling have precedent value of a judgment of the High Court or the Supreme Court?

Ans. No, the advance ruling is binding only in respect of the matter referred. It has no precedent value. However, even for persons other than applicant, it does have persuasive value.

Q 3. What is the time period for applicability of Advance Ruling?

Ans. The law does not provide for a fixed time period for which the ruling shall apply. Instead, in section 103(2), it is provided that advance ruling shall be binding till the period when the law, facts or circumstances supporting the original advance ruling have changed. Thus, a ruling shall continue to be in force so long as the transaction continues and so long as there is no change in law, facts or circumstances.

Q 4. Can an advance ruling given be nullified?

Ans. Section 104(1) provides that an advance ruling shall be held to be ab initio void if the AAR or AAAR finds that the advance ruling was obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts.

In such a situation, all the provisions of the GST Act(s) shall apply to the applicant as if such advance ruling had never been made (but excluding the period when advance ruling was given and up to the period when the order declaring it to be void is issued). An order declaring advance ruling to be void can be passed only after hearing the applicant.

Settlement Commission

This chapter has been deleted by Final GST Acts passed on 12th April' 2017

Objectives of Settlement Commission

The basic objectives of setting up of the Settlement Commission are:-

- (i) To provide an alternate channel for dispute resolution for the assesses;
- (ii) To expedite payments of Indirect Tax involved in disputes by avoiding costly and time consuming litigation process;
- (iii) To provide an opportunity to tax payers to come clean who may have evaded payments of tax;
- (iv) To serve as a forum for the assesses to apply for settlement of their cases, on the basis of true and complete disclosure of their duty liability by them;
- (v) To encourage quick settlement of disputes and save the business from the worries of prosecution in certain situations.

Power and Benefits of Settlement Commission

- (i) **The Settlement Commission has powers to grant immunity from prosecution** for any offence under the Indian Penal Code or under any other Central Act for the time being in force in respect of the case covered by the Settlement Commission.
- (ii) **The Commission also has powers to grant immunity either wholly or in part from the imposition of any penalty and fine**
- (iii) **The proceedings before the Settlement Commission shall be deemed to be a judicial proceeding** within the meaning of Section 193 and 228, and for the purposes of Section 196 of the Indian Penal Code.

Overview of IGST

“Integrated Goods and Services Tax” (IGST) means tax levied under the IGST Act on the supply of any goods and/ or services in the course of inter-State trade or commerce.

A supply of goods and/or services in the course of inter-State trade or commerce means any supply where the location of the supplier and the place of supply are in different States, two different union territory or in a state and union territory Further import of goods and services, supplies to SEZ units or developer, or any supply that is not an intra state supply. (Section 7 of the IGST Act).

IGST shall be levied and collected by Centre on interstate supplies. IGST would be broadly CGST plus SGST and shall be levied on all inter-State taxable supplies of goods and services. The inter-State seller will pay IGST on value addition after adjusting available credit of IGST, CGST, and SGST on his purchases. The Exporting State will transfer to the Centre the credit of SGST used in payment of IGST. The Importing dealer will claim credit of IGST while discharging his output tax liability in his own State. The Centre will transfer to the importing State the credit of IGST used in payment of SGST. The relevant information is also submitted to the Central Agency which will act as a clearing house mechanism, verify the claims and inform the respective governments to transfer the funds.

The procedure and compliance requirement are same for processes likes registration, return filing and payment of tax. Further, the IGST act borrows the provisions from the CGST Act as relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. (Section 20 of the IGST Act)

Salient features of the draft IGST Law

The Integrated Goods and Services Tax Act, 2017, *inter alia*, provides for the following, namely:—

- (a) To levy tax on all inter-State supplies of goods or services or both except supply of alcoholic liquor for human consumption at a rate to be notified, not exceeding forty per cent. as recommended by the Goods and Services Tax Council (the Council);
- (b) To provide for levy of tax on goods imported into India in accordance with the provisions of the Customs Tariff Act, 1975 read with the provisions contained in the Customs Act, 1962;
- (c) To provide for levy of tax on import of services on reverse charge basis under the proposed Legislation;
- (d) To empower the Central Government to grant exemptions, by notification or by special order, on the recommendations of the Council;
- (e) To provide for determination of the nature of supply as to whether it is an inter-State or an intra-State supply;
- (f) To provide elaborate provisions for determining the place of supply in relation to goods or services or both;
- (g) To provide for payment of tax by a supplier of online information and database access or retrieval services;
- (h) To provide for refund of tax paid on supply of goods to tourist leaving India;
- (i) To provide for apportionment of tax and settlement of funds and for transfer of input tax credit between the Central Government, State Government and Union territory;
- (j) To provide for application of certain provisions of the Central Goods and Services Tax Act, 2017, *inter alia*, relating to definitions, time and value of supply, input tax credit, registration, returns other than late fee, payment of tax, assessment, refunds, audit, inspection, search, seizure and arrest, demands and recovery, appeals and revision, offences and penalties and transitional provisions, in the proposed Legislation; and
- (k) To provide for transitional transactions in relation to import of services made on or after the appointed day.

Payment of IGST

The IGST payment can be done utilizing ITC or by cash. However, the use of ITC for payment of IGST will be done using the following hierarchy, -

- First available ITC of IGST shall be used for payment of IGST;

- Once ITC of IGST is exhausted, the ITC of CGST shall be used for payment of IGST;
- If both ITC of IGST and ITC of CGST are exhausted, then only the assessee would be permitted to use ITC of SGST for payment of IGST and then of UTGST.

Remaining IGST liability, if any, shall be discharged using payment in cash. GST System will ensure maintenance of this hierarchy for payment of IGST using the credit.

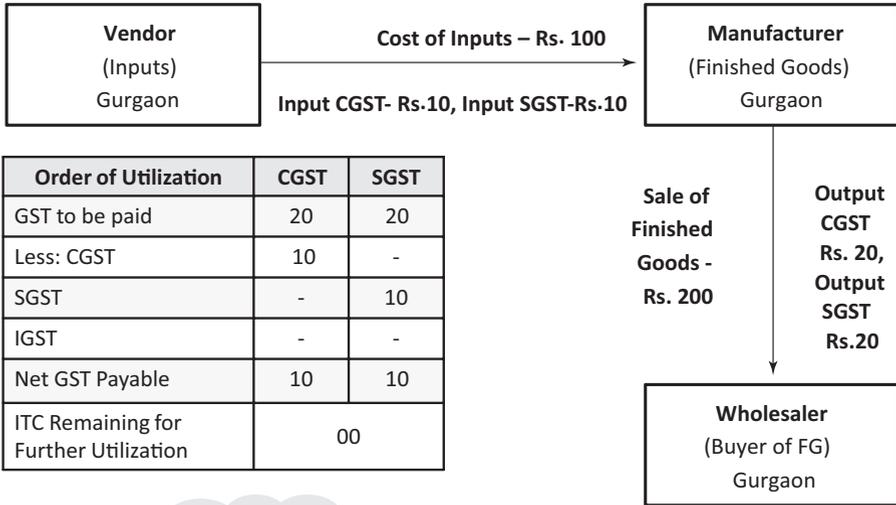
Settlement between Centre, exporting state and importing state

There would be settlement of account between the Centre and the states on two counts, which are as follows-

- **Centre and the exporting state:** The exporting state shall pay the amount equal to the ITC of SGST used by the supplier in the exporting state to the Centre.
- **Centre and the importing state:** The Centre shall pay the amount equal to the ITC of IGST used by a dealer for payment of SGST on intra- state supplies.

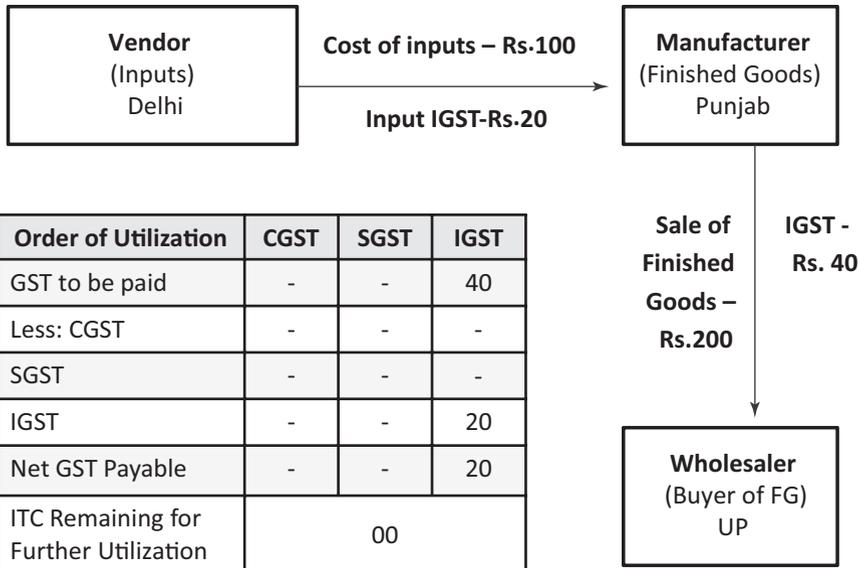
The settlement would be on cumulative basis for a state taking into account the details furnished by all the dealer in the settlement period. Similar settlement of amount would also be undertaken between CGST and IGST account.

Illustration-1 ITC (within the State)



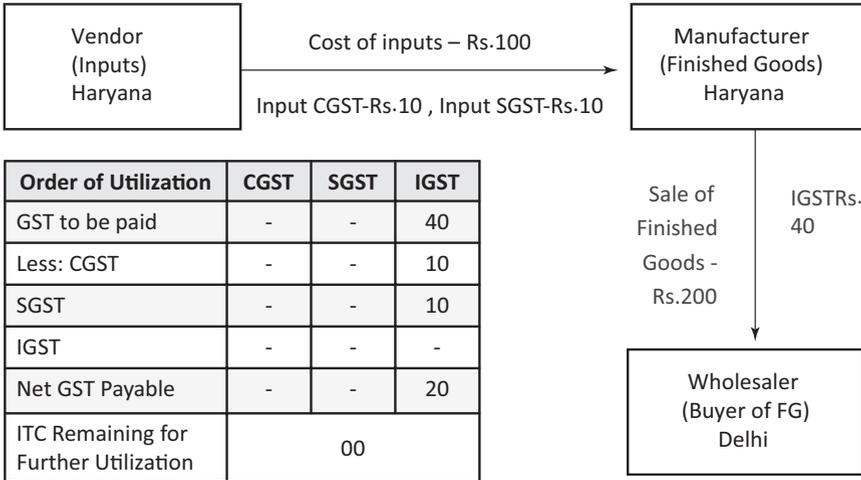
Assume CGST & SGST @ 10% each.

Illustration-2 (b/w different States)



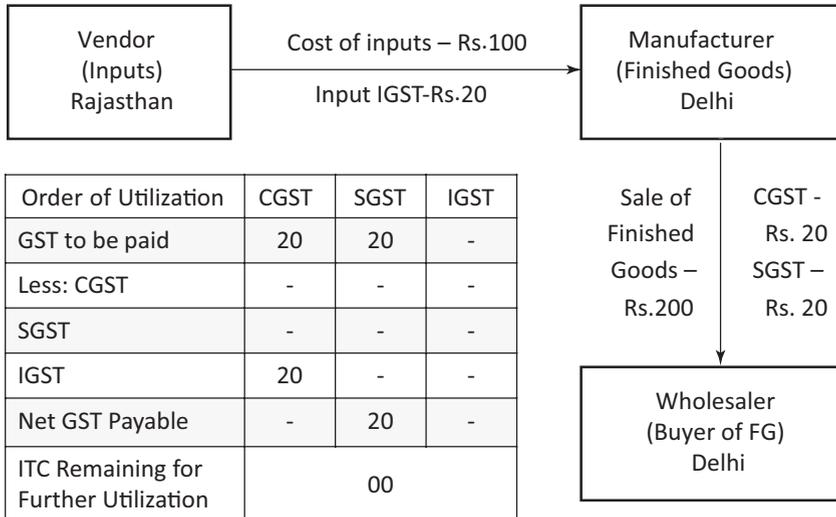
Assume CGST & SGST @ 10% each.

Illustration-3 Transaction (b/w different States)



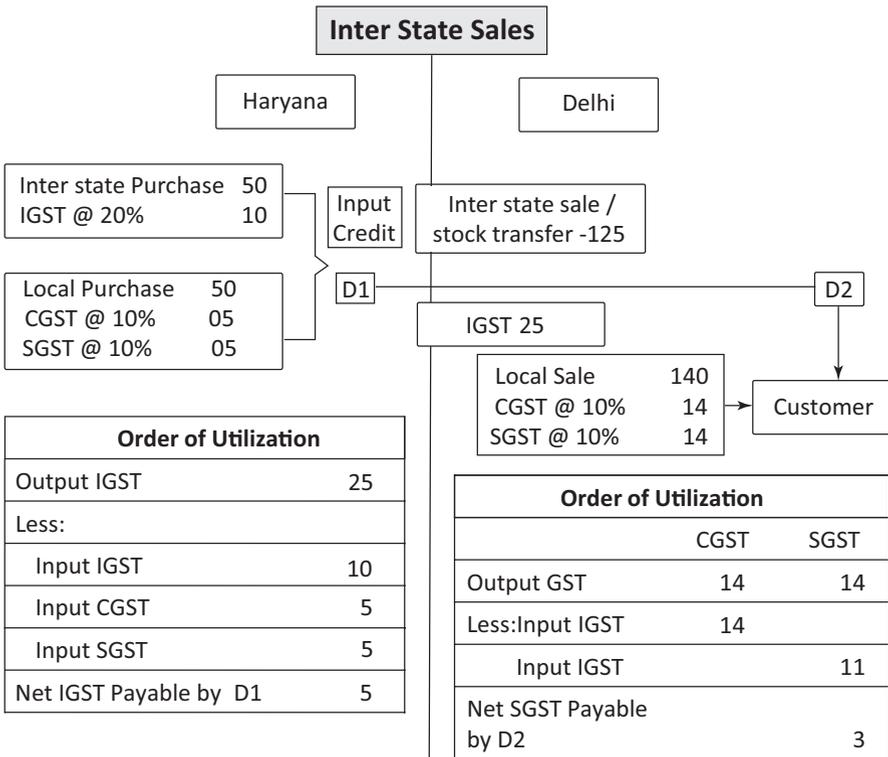
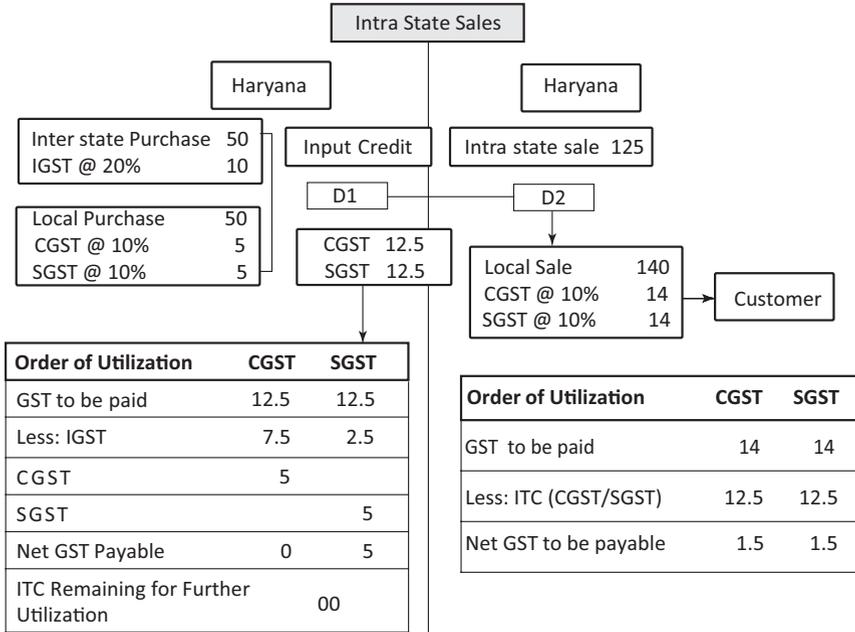
Assume IGST @ 20%

Illustration-4 (b/w different States)

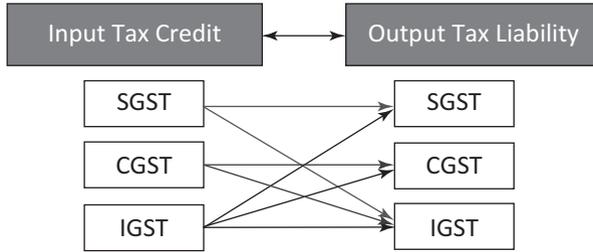


Assume CGST & SGST @ 10% each.

Scheme of Law (w.e.f. 01-02-2019)



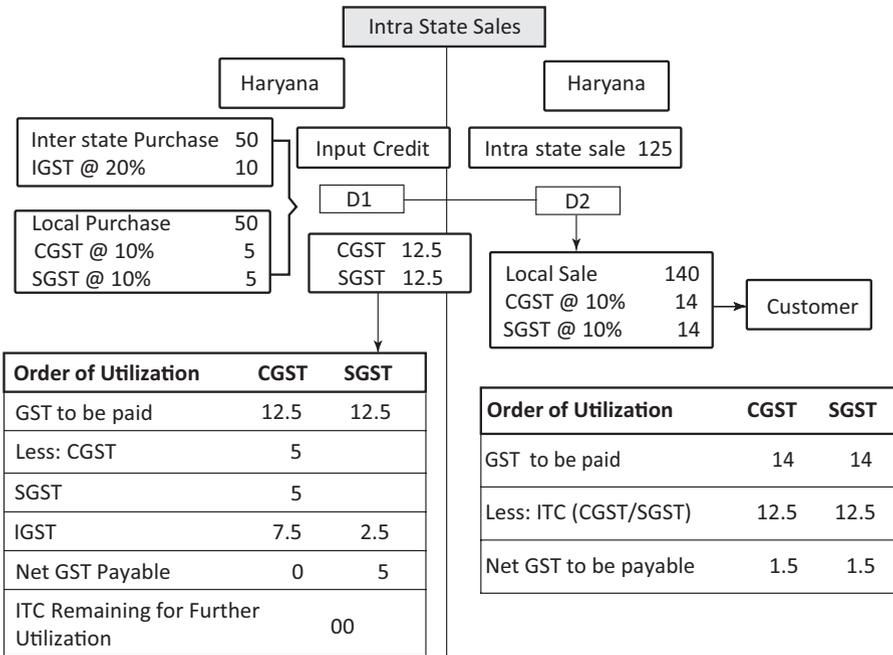
Utilization Mechanism (w.e.f. 01-02-2019)

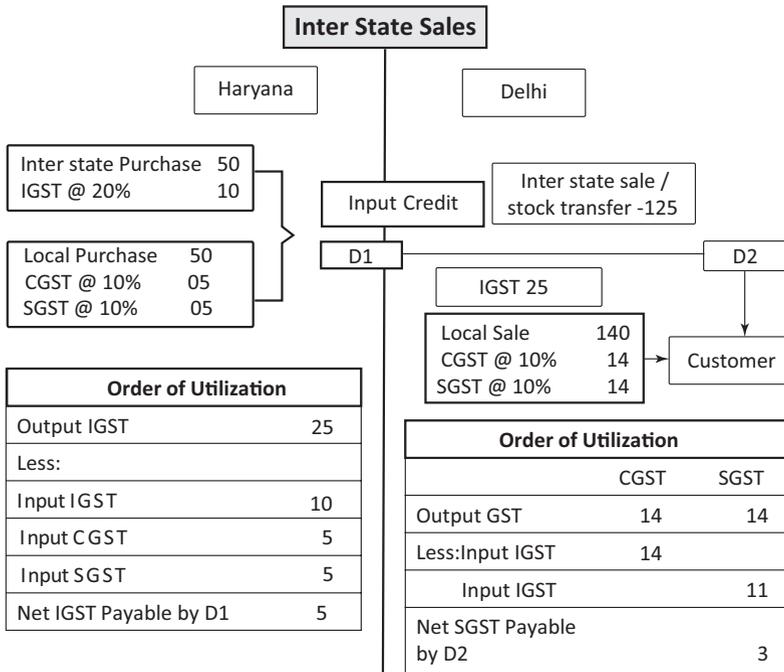


PREFERENCE TABLE FOR SET OFF (Matrix Diagram)

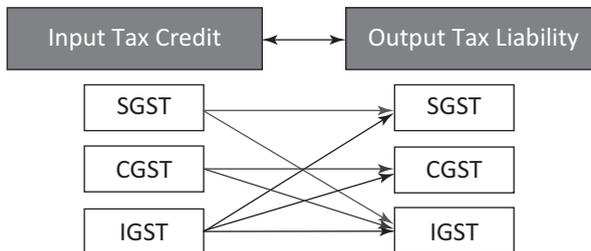
Credit	IGST	CGST	SGST
IGST	1	2	3
CGST	6	4	NA
SGST	7	NA	5

Scheme of Law (upto 31-01-2019)





Utilization Mechanism (upto 31-01-2019)



PREFERENCE TABLE FOR SET OFF (Matrix Diagram)

Credit	IGST	CGST	SGST
IGST	1	2	3
CGST	2	1	NA
SGST	3	NA	1

CHAPTER 30

Transitional Provisions

The purpose of incorporating Transitional Provisions in any Act is to clarify as to when and how the operative parts of the enactments are to take effect. The Transitional Provisions generally are intended to take care of the events during the period of transition.

Francis Bennion in his book on Statutory Interpretation (14 Edition, p.442) outlines the purpose of transitional provisions as follows:-

“189. Transitional Provisions: Transitional provisions in an Act are provisions which spell out precisely when and how the operative parts of the instrument are to take effect Where an act contains substantive, amending or repealing enactments, it commonly also includes transitional provisions which regulate the coming into operation of those enactments and modify their effect during the period transition.”

G. C. Thornton in his treatise on “Legislative Drafting” has stated that –

“The function of a transitional provision is to make special provision for the application of legislation to the circumstances which exist when that legislation comes into force.”

An Act includes transitional provisions which regulate its coming into operation and effect. Whenever a new tax has been introduced taxpayers have a problem with respect to businesses not knowing, how the existing taxes will transition to new taxes and various issues concerning the existing taxes.

During the implementation phase of this new taxing statute, the transitional period would be the most crucial time period *wherein* various impugned Central Laws/State Laws shall be subsumed in a single statute viz. GST Act and the books

of accounts that have been maintained rely upon the principle of 'Going Concern' would be ushered towards the era of GST.

Goods and Service Tax (GST) Act in all likelihood is going to be rolled out in India w.e.f. 01.07.2017. Smooth migration to Goods and Service Tax (GST) would require business to take multiple actions so that all eligible benefits are carried forward in GST regime and proper systems, processes and procedures are envisaged and put in place in advance so as to ensure flawless compliance under the new law.

The Transition Provisions is placed separately in Chapter-XX of the GST Act containing Sections from Section 139 to Section 142, it is a complete set of transformation process law framework covered almost all possible situation needed to be clarified. The sections are tabulated as below:-

Section	Issue	Provision
139	For Existing Taxpayer in relation to registration	<ul style="list-style-type: none"> • All the persons registered under the present Tax structure shall be migrated automatically to GST on provisional basis, subject to such conditions and in such form & manner as prescribed under Rule 16 of Registration Rules. • Every person to whom provisional registration as stated above has been granted needs to furnish information as may be called for by proper officer and upon furnishing of same, final registration shall be granted by the proper officer under this Act. • Provisional Certificate issued to existing taxpayer shall be cancelled if the person fails to furnish the information as called for. • If the taxable person under the present tax system submits application that he is not liable to be registered under GST Act, then the provisional registration certificate shall be deemed to have, not been issued. <p>Issue: Is there an automatic registration under GST framework for those taxpayers who are already registered under State/Central Government under State VAT?</p> <p>Ans: No, every taxpayer is required to be registered under GST, there will be multiple registration for every State and verticals.</p>

Section	Issue	Provision
140(1)	Carry Forward of CENVAT Credit in Return to be allowed as Tax Credit in GST	<ul style="list-style-type: none"> • Registered taxable person, <i>other than a person opting to pay tax under composition scheme</i>, shall be eligible to take credit of the CENVAT Credit/VAT-ITC carried forward by them in the return furnished for the period ended with the day immediately preceding the appointed date, subject to the conditions stated under: <ul style="list-style-type: none"> (i) the said amount of credit is admissible as input tax credit under this Act; (ii) the registered person has furnished all the returns required under the existing law (i.e. Central Excise and VAT) for the period of six months immediately preceding the appointed date; (iii) the said amount of credit does not relate to goods sold under notifications no.and claiming refund of VAT paid thereon <p>Under SGST law there will be one more condition as given below: -</p> <p>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, 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: However, an amount equivalent to the credit specified above 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.</p> <p>Issue: A registered person has excess ITC of Rs 10, 000/- in his last VAT return for the period immediately preceding the appointed day. Under</p>

Section	Issue	Provision
		<p>GST he opts for composition scheme. Can he carry forward the aforesaid excess ITC to GST?</p> <p>Ans. The registered person will not be able to carry forward the excess ITC of VAT to GST if he opts for composition scheme – Section 140(1).</p>
140(2)	<p>U n a v a i l e d C E N V A T Credit on Capital Goods not carry forward in return to be allowed in GST in certain situation.</p>	<p>A registered person shall be entitled to take credit of unavailed CENVAT credit on capital goods, not carried forward in earlier return filed under the earlier law or Act, subject to the fulfilment of condition that this transferred ITC is eligible as credit both under the earlier law as well as under GST.</p> <p>Issue: A registered taxable person say, purchases capital goods in the June quarter of 2017-18. Though the invoice has been received within 30th June but the capital goods are received on 5th July, 2017 (i.e. in GST regime). Will such a person get full credit of CENVAT in GST regime?</p> <p>Ans. Yes, he will be entitled to credit in 2017-18 provided such a credit was admissible as CENVAT credit in the existing law and is also admissible as credit in CGST - explanation to section 140 (2) of the CGST Act.</p> <p>Issue: VAT credit was not available on items 'X' & 'Y' as capital goods in the earlier law. Since they are covered in GST, can the registered taxable person claim it now?</p> <p>Ans. He shall be entitled to credit only when ITC on such goods were admissible under the earlier law and is also admissible in GST. Since on the two items credit was not available under the earlier law, the said person cannot claim it in GST – proviso to section 140(2).</p> <p>Issue: Assuming the registered person has wrongly enjoyed the credit under the existing law, will the recovery be done under the GST Law or the existing law?</p>

Section	Issue	Provision
		<p>Ans: The recovery relating to ITC wrongfully enjoyed, unless recovered under the existing law, will be recovered as arrears of tax under GST.</p>
140(3)	<p>Credit of eligible duties and taxes in respect of inputs held in stock to be allowed in certain situations.</p>	<p>Any person who was engaged in the manufacture of exempted goods, or provision of exempted services or who was providing the works contract services and was availing the benefit of notification no 26/2012 and further he shall have to get himself registered under the GST Act if the products come out of exemption or is subject to levy under the GST Act.</p> <p>Such registered persons under the GST Act shall be eligible to claim Input Tax credit in respect of Inputs in stock or in work in progress or in final product as on the date immediately preceding to the date from which GST Act comes into force, subject to following conditions:</p> <ol style="list-style-type: none"> i. Such inputs or goods are used or intended to be used for making taxable supplies. ii. The said registered person is eligible for ITC on such inputs under this Act. iii. The said registered person is in possession of invoice or other prescribed documents evidencing payment of duty under the existing law in respect of such inputs. iv. Such invoices or other prescribed documents were issued not earlier than 12 months immediately proceeding the appointed day. v. The supplier of services is not eligible for any abatement under this Act. <p>Issue: Give two examples of registered taxable persons who were not liable to be registered under the earlier law but are required to be registered under GST?</p> <p>Ans. A manufacturer having a turnover of say Rs 60 lakhs was enjoying SSI exemption earlier, will have to be registered in GST as the said turnover exceeds the basic threshold of Rs 20 lakh - section 22.</p>

Section	Issue	Provision
		<p>A trader having turnover below the threshold under VAT making sales through e-commerce operator will be required to be registered in GST. There will no threshold for such persons - Section 24.</p> <p>Issue: Will ITC be allowed to a service provider on VAT paid inputs held as stock on the appointed day?</p> <p>Ans: Yes, he will be entitled to input tax credit on inputs held in stock in accordance with the provisions of section 140(3).</p>
140(4)	Credit of duties and taxes in respect of exempted goods and services	<p>Any registered person who was engaged in manufacturing of exempted as well as taxable goods or providing exempted and taxable services under earlier law, which have become taxable under this Act, such person shall be eligible to take CENVAT credit-</p> <ol style="list-style-type: none"> <li data-bbox="440 777 1106 848">i. To the amount carried forward in a return furnished under the existing law. <li data-bbox="440 860 1106 1037">ii. Further, CENVAT credit allowed in respect of inputs held in stock, inputs held in semi finished or finished goods, relating to such exempted goods or services on appointment date.
140(5)	Credit of Duties and taxes on inputs and input services during transit	<p>This provision applies where inputs / input services received on or after the appointed day whereas the applicable duty/tax has been paid by the supplier under the earlier law.</p> <p>CENVAT credit in respect of such inputs/ input services subject to the following conditions that:</p> <ol style="list-style-type: none"> <li data-bbox="440 1293 1106 1478">i. The invoice or any duty-paying document has been recorded in the books of accounts within a period of thirty days from the appointed day. The time limit can be enhanced for another thirty days by the competent authority. <li data-bbox="440 1490 1106 1598">ii. The taxpayer will have to further comply with requirement of furnishing details of credit taken as Statement to department.

Section	Issue	Provision
140(6)	Credit of duties and taxes in respect of inputs held in stock to be allowed to a taxable person switching over from composition scheme (Section 140(6))	<p>Any Registered person who is paying tax in the capacity of Composite Tax Payer at a fixed rate or fixed amount under the present tax law of Centre / State shall be eligible to take input tax credit in Electronic Credit Ledger in respect of Inputs in stock or in work in progress or in final product as on the date immediately preceding to the date from which GST Act comes into force, subject to the following conditions:</p> <ol style="list-style-type: none"> i. Such inputs or goods are used, or intended to be used for making taxable supplies. ii. The said registered person is eligible for ITC on such inputs under this Act. iii. The said registered person is in possession of invoice or other prescribed documents evidencing payment of duty under the existing law in respect of such inputs. iv. Such invoices or other prescribed documents were issued not earlier than 12 months immediately preceding the appointed day.
140(7)	Credit Distribution of Service Tax by ISD	<p>Any services received and Input Tax shall be distributed by ISD on the invoices issued before the enactment of GST and received after the enactment of said act even if the invoice(s) relating to such services is received on or after the appointed day.</p> <p>Issue: If services are received by ISD under the earlier law, can the ITC relating to it be distributed in GST regime?</p> <p>Ans: Yes, irrespective of whether the invoice(s) relating to such services is received on or after the appointed day.</p>
140(8)	Unutilized C E N V A T credit by taxable person having	<p>Taxable person, who has obtained centralized registration under the earlier law, now shall be required to be registered under GST Act.</p> <ul style="list-style-type: none"> • CENVAT credit shall be availed if such credit should be carried forward in the return. If

Section	Issue	Provision
	centralized registration under the earlier law	<p>return has been filed within three months of the appointed date, such credit shall be allowed only if the return is to be considered as original or revised return.</p> <ul style="list-style-type: none"> • Taxable person shall be transferred the CENVAT Credit to any of registered persons having same PAN for which Centralised Registration has been taken under the earlier law.
148(9)	CENVAT credit availed has been reversed.	Any CENVAT credit availed for input services under the earlier law has been reversed due to non – payment of consideration within a period of three months, shall be reclaimed, subject to the condition that the registered person has made the payment of consideration for that supply of services within a period of three months from the appointed day.
141(1)	Where inputs are removed for job work.	<p>If any good removed before the appointed day to the job worker for further processing, testing, repair, re-conditioning or any other purpose, are returned to such factory on or after the appointed day but within 6 months from the appointed day then no tax shall be payable.</p> <ul style="list-style-type: none"> • Competent authority shall extend the period of 6 months for a maximum period of 2 months. • If the job worker returns goods after a period of 6 months and such extended time, and the goods are liable to tax, then the tax will be payable by the job worker. • In order to avail of the benefit of this provision the job worker and the manufacturer have to declare the details of input held in stock for inputs or as a semi-finished goods for availing benefits for inputs. <p>Issue: Shall a manufacturer or a job worker become liable to pay tax if the inputs sent for job work under the earlier law are returned after completion of job work after the appointed day?</p>

Section	Issue	Provision
		<p>Ans. No tax shall be payable by the manufacturer or the job worker under the following circumstances:</p> <ul style="list-style-type: none"> o Inputs/ semi-finished goods are sent to the job worker in accordance with the provisions of the earlier law before the appointed day. o The job worker returns the same within six months from the appointed day (or extended period of 02 months). o Both the manufacturer and the job worker declare the details of inputs held in stock by the job worker on the appointed day in the prescribed form. <p>Issue: What happens if the job worker does not return the goods within the specified time?</p> <p>Ans. Tax would be payable by the job worker. Further, the manufacturer will also be liable to pay tax on expiry of the specified time limit.</p>
141(2)	Semi- Finished goods removed for Job Work	<p>If any semi finished goods are removed before the appointed day to the job worker for further processing, testing, repair, reconditioning or any other purpose, are returned to such factory on or after the appointed day but within 6 months from the appointed day then no tax shall be payable.</p> <ul style="list-style-type: none"> • Competent authority shall extend the period of 6 months for a maximum period of 2 months. • If the job worker returns goods after a period of 6 months and such extended time, and the goods are liable to tax, then the tax will be payable by the job worker. <p>In order to avail of the benefit of this provision the job worker and the manufacturer have to declare the details of input held in stock as semi-finished goods for availing benefits for inputs.</p>

Section	Issue	Provision
141(3)	<p>F i n i s h e d goods removed for carrying out tests or any other processes and returned on or after the appointed day</p>	<p>Tax will be payable in GST on manufactured goods sent to a job worker prior to the appointed day for carrying out tests or any process not amounting to manufacture under the existing law if such goods are not returned to the manufacturer within six months (or within the extended period of maximum two months) from the appointed day.</p> <p>Further, the input tax credit enjoyed by the manufacturer will liable to be recovered if the aforesaid goods are not returned within six months from the appointed day.</p> <ul style="list-style-type: none"> • Tax shall be payable by manufacturer if the inputs are not received back within a period of 6 months from the date when GST comes into force. • Tax is to be paid by person returning the goods if the goods after processing are returned back after a period of 6 months after the GST enactment date. • If registered person shows sufficient cause, then the period of 6 months may be extended by another 2 months by the competent authority. <p>Issue: Can a manufacturer transfer finished goods sent for testing purpose to the premises of any other taxable person?</p> <p>Ans. Yes, a manufacturer can as per the provisions of the earlier law transfer the said goods to the premises of any registered taxable person on payment of tax or without payment of tax for exports within 6 months or within extended period of maximum two months.</p> <p>Issue: If finished goods removed from a factory for carrying out certain processes under earlier law are returned on or after the appointed day, whether GST would be payable?</p>

Section	Issue	Provision
		<p>Ans: No tax will be payable in GST by the manufacturer or by the Job worker where the goods removed prior to the appointed day for carrying out process not amounting to manufacture are returned within 6 months from the appointed day (or extended period of 02 months)</p> <p>Issue: Is extension of two months as discussed in section 141 automatic?</p> <p>Ans. No, it is not automatic. It shall be extended by the competent authority (Commissioner) only, on sufficient cause being shown.</p>
142(1)	<p>Refund in case of return of goods.</p>	<p>If duty has been paid under the earlier law on any goods at the time of removal, not being earlier than six months prior to the appointed day, and now has been returned to the registered person, such person shall be eligible for refund of such duty subject to the following conditions:</p> <ol style="list-style-type: none"> 1. Such goods have been returned within a period of six months from the appointed date. 2. Such goods are identifiable & Proper officer satisfied. 3. Return of such goods shall be deemed to be supply under this Act. <p>Issue: Sales return under CST (i.e. Central Sales Tax Act) is allowable as deduction from the turnover within six months? If, say, goods are returned in GST regime by a buyer within six months from appointed day, will it become taxable in GST?</p> <p>Ans: Where tax has been paid under the existing law [CST, in this case] on any goods at the time of sale, not being earlier than six months prior to the appointed day, and such goods are returned by the buyer after the appointed day, the sales return will be considered as a supply of the said buyer in GST and tax has to be paid on such supply, if, -</p>

Section	Issue	Provision
		<p>(i) the goods are taxable under the GST Law; and (ii) the buyer is registered under the GST Law.</p> <p>However, the seller is entitled to refund of such tax [CST, in this case] paid under the existing law if the aforesaid buyer is an unregistered person under GST and the goods are returned within 06(six) months (or within the extended period of maximum two months) from the appointed day and the goods are identifiable.</p>
142(2)	<p>Issue of supplementary invoices, debit or credit notes where price is revised in pursuance of a contract.</p>	<p>Issuance of supplementary invoices in pursuance of price revision shall be deemed to have been issued in respect of an outward supply made under the net of GST subject to the compliance of below mentioned conditions:</p> <ol style="list-style-type: none"> 1. Contract for supply of goods entered prior to appointed date of GST, 2. Price revision takes place after the implementation of GST and 3. Such supplementary invoices must be issued within a period of thirty days from such revision. <p>Upward Revision</p> <p>Supplier of goods shall be liable to charge CGST/SGST/IGST on such supplementary invoice raised within the stipulated time period.</p> <p>Downward Revision</p> <p>Supplier of goods shall be liable to reduce their CGST/SGST/IGST liability in lieu of issuance of such supplementary invoice provided that the receiver of such supplementary invoices has also correspondingly reduced their input tax credit.</p> <p>Issue: What is the time limit for issue of debit/credit note(s) for revision of prices?</p> <p>Ans. The taxable person may issue the debit/credit note(s) or a supplementary invoice within 30 days of</p>

Section	Issue	Provision
		the price revision. In case where the price is revised downwards the taxable person shall be allowed to reduce his tax liability only if the recipient of the invoice or credit note has reduced his ITC corresponding to such reduction of tax liability.
142(3)	Refund of CENVAT credit, duty, tax, Interest or any other amount paid under the earlier law.	Refund filed by any person (on , before or after the appointed date) for any amount of CENVAT credit, duty, tax, interest or any other amount has been paid under the earlier law shall be disposed of in accordance with the provision of earlier law. <ul style="list-style-type: none"> • If any amount has been eventually accrued to him, it shall be paid in Cash only. • Any claim for refund of CENVAT credit has been fully or partially rejected, the rejected amount shall be lapsed under this Act. <p>Issue: What will be the fate of pending refund of tax/ interest under the existing law?</p> <p>Ans: The pending refund claims will be disposed of in accordance with the provisions of the existing law.</p>
142(4)	Refund of any duty, tax paid under the earlier law in respect of goods/ services exported	<ul style="list-style-type: none"> • Every claim for which refund has been filed after the appointed date in respect of goods or services which have been exported before or after the appointed date, shall be disposed of in accordance with the provision of earlier law. • Any claim for refund of CENVAT credit has been fully or partially rejected, the rejected amount shall be lapsed under this Act. • No refund of CENVAT credit shall be granted when such amount of credit shall be carried forward under this Act
142(5)	Pending refund claims to be disposed of under earlier law.	The pending refund claims in respect of Services shall be disposed of in accordance with the provisions of the earlier law. <p>If any amount has been eventually accrued, it shall be paid in Cash only.</p>

Section	Issue	Provision
142(6) / 142(7)	Proceedings relating to Cenvat Credit/ Output tax liability	<p>Any proceeding of appeal or review or reference relating to a claim of CENVAT/ITC/ output duty/ tax liability, initiated before, on or after the appointed day, which is pending under the earlier law shall be disposed of in accordance with the provisions of the earlier law.</p> <p>However, any amount, which becomes recoverable will have to be recovered as arrears of tax under the GST Law.</p> <p>The refund will be made in accordance with the provisions of the existing law only. In case any recovery is to be made then, unless recovered under existing law, it will be recovered as an arrear of tax under GST.</p>
142(8)	Amount recovered or refunded in pursuance of assessment or adjudication proceedings	<p>In pursuance of an assessment or adjudication proceedings, whether before or after the appointed day, under the earlier law if any amount of tax, interest, fine or penalty becomes recoverable from the person, the same shall be recovered as an arrear of tax under the GST law and the amount so recovered shall not be eligible as input tax credit.</p> <p>Where in pursuance of an assessment or adjudication proceedings, whether before or after the appointed day, under the earlier law if 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.</p>
142(9)	Treatment of the amount recovered or refunded in pursuance of Revision of Returns	<p>If any return furnished under the earlier law is revised and as a result of such revision any amount is found to be recoverable or refundable from or to the taxable person, then</p> <ul style="list-style-type: none"> • If any amount is to be recoverable from the taxable person shall be recovered as an arrear of tax under this Act. • If any amount is to be refunded, it shall be paid in Cash only.

Section	Issue	Provision
142 (10)	Treatment of long term construction / works contracts	<p>Tax is applicable at the rates specified under GST Act in respect of Supply of Goods and services provided after the enactment of GST Act even if the agreement / contract is executed prior to introduction of GST Act.</p> <p>Issue: If any goods or services are supplied in GST, in pursuance of contract entered under existing law, which tax will be payable?</p> <p>Ans: GST will be payable on such supplies</p>
142 (11)	Taxability of supply under certain cases	<p>If tax on a particular supply of goods or services is leviable under the existing law, no tax shall be payable on such goods/services under GST to the extent the tax was payable under the existing law.</p>
142 (12)	Goods sent on Approval Basis	<p>If any goods are sent on approval basis, not earlier than six months before the appointed day and the goods are rejected or returned by the buyer then no tax liability arises, if such goods are returned within a period of six months from the appointed day.</p> <p>Further, the competent authority may extend this period of six months for a further period of two months.</p> <p>However, goods are returned after a period of six months and such extended time, and the goods are liable to tax, then tax will be payable by such returning person.</p> <p>Moreover, if such goods are sent on approval basis and such goods are not returned within a period of six months and such extended time; and also such goods are liable to tax under this act then the tax shall be payable by such person who has sent the goods.</p>
142 (13)	Deduction of Tax at Source.	<p>No deduction of tax at source under GST shall arise on making the payment to the supplier subject to the compliance of following three conditions:</p> <ol style="list-style-type: none"> 1. Payment made is in pursuance of sale executed in the earlier law, 2. Such sale attracts tax deduction at source under the legal provision of earlier law and 3. Event of issuance of invoice also occurs before this appointed date.

WM-10(31)/2017

Dated: 04-07-2017

To,

The Controllers of Legal Metrology, All States/ UTs

Subject: Impact of GST on unsold stock of pre-packaged commodities -reg.

Sir,

The undersigned is directed to refer to the above mentioned subject and to state that in exercise of the powers conferred by rule 33(1) of the Legal Metrology (Packaged Commodities) Rules, 2011, the Central Government hereby permits the manufacturers or packers or importers of pre-packaged commodities to declare the changed retail sale price (MRP) on the unsold stock manufactured/ packed/ imported prior to 1st July, 2017 after inclusion of the increased amount of tax due to GST if any, in addition to the existing retail sale price (MRP), for three months w.e.f. 15th July 2017 to 30th September, 2017. Declaration of the changed retail sale price (MRP) shall be made by way of stamping or putting sticker or online printing, as the case may be, after complying with the following conditions:

- (i) The difference between the retail sale price originally printed on the package and the revised price shall not, in any case, be higher than the extent of increase in the tax if any, or in the case of imposition of fresh tax, such fresh tax, on account of implementation of GST Act and Rules.
- (ii) The original MRP shall continue to be displayed and the revised price shall not overwrite on it.
- (iii) Manufacturers or packers or importers shall make at least two advertisements in one or more newspapers in this regard and also by circulation of notices to the dealers and to the Director of Legal Metrology in the Central Government and Controllers of Legal Metrology in the States and Union Territories, indicating the change in the price of such packages.

2. Further, it is clarified that under sub-rule (3) of rule 6 of the Legal Metrology (Packaged Commodities) Rules, 2011 “for reducing the Maximum Retail Price (MRP), a sticker with the revised lower MRP (inclusive of all taxes) may be affixed and the same shall not cover the MRP declaration made by the manufacturer or the packer or importer, as the case may be, on the label of the package”.

3. It is also clarified that any packaging material or wrapper which could not be exhausted by the manufacturer or packer or importer prior to 1st July, 2017, may be used for packing of material upto 30th September, 2017 or till such date the packing material or wrapper is exhausted, whichever is earlier, after making corrections required in retail sale price (MRP) on account of implementation of G.S.T. by way of stamping or putting sticker or online printing.

CHAPTER 31

GST Practitioner

The provisions relating to GST Practitioners are contained in Section 48 of the Central GST Act' 2017 read with Rule 83 of GST Return Rules' 2017. As per these provisions, the following persona shall be eligible as GST Practitioner:-

- (1) Chartered Accountant holding COP
- (2) Company Secretary holding COP
- (3) Cost and Management Accountant holding COP
- (4) Advocate
- (5) Graduate or Postgraduate degree in Commerce
- (6) Graduate or Postgraduate degree in Banking
- (7) Graduate or Postgraduate degree in Business Administration
- (8) Graduate or Postgraduate degree in Business Management
- (9) Degree examination of any recognized Foreign University
- (10) Retired Government Officials

INTRODUCTION

Rule 83 & 84 of Goods and Service Tax deals with Goods and Service Tax Practitioner, lays down the eligibility criteria, conditions, duties, obligations, manner of removal and other relevant conditions.

Procedure to get registered as Goods and Service Tax Practitioner (Rule 83 & 84)

1. Filing of application in FORM GST PCT- 01

An application in FORM GST PCT-01 may be made electronically through the **Common Portal** either directly or through a Facilitation Centre notified by the Commissioner for enrolment as goods and services tax practitioner.

1.1 Person authorised to act as goods and services tax practitioner.

Following are the persons who can act and file as goods and services tax practitioner. A person who:

- (i) is a citizen of India;
- (ii) is a person of sound mind;
- (iii) is not adjudicated as insolvent;
- (iv) has not been convicted by a competent court,-

1.2 Conditions need to be satisfied

Following are the conditions to be satisfied before applying as goods and services tax practitioner.

(i) Retired Officer

he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower in rank than that of a Group-B gazetted officer for a period of not less than two years; or

(ii) Enrolled as a sales tax practitioner or tax return preparer

he has been enrolled as a sales tax practitioner or tax return preparer under the existing law for a period of not less than five years;

(iii) Academic qualification

he must have passed:

- a graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force; or
- a degree examination of any Foreign University recognized by any Indian University as equivalent to the degree examination mentioned in sub-clause (i); or

- any other examination notified by the Government, on the recommendation of the Council, for this purpose; or
- has passed any of the following examinations, namely
 - (a) final examination of the Institute of Chartered Accountants of India; or
 - (b) final examination of the Institute of Cost Accountants of India; or
 - (c) final examination of the Institute of Company Secretaries of India

2. Issuance of certificate of enrollment in **FORM GST PCT- 02**

On receipt of the application referred above, the officer authorised in this behalf shall, after making such enquiry as he considers necessary, either enrol the applicant as a goods and services tax practitioner and issue a certificate to that effect in **FORM GST PCT-02** or reject his application where it is found that the applicant is not qualified to be enrolled as a goods and services tax practitioner.

The certificate of enrollment issued in FORM GST PCT-02, shall be valid until it is cancelled.

3. Goods and services tax practitioner required to pass examination

A person enrolled as a goods and services tax practitioner shall not be eligible to remain enrolled unless he passes such examination conducted at such periods and by such authority as may be notified by the Commissioner on the recommendations of the Council.

4. Issuance of show cause notice in **FORM GST PCT- 03** & order of disqualification in **FORM GST PCT- 04**

If any goods and services tax practitioner is found guilty of misconduct in connection with any proceedings under the Act, the authorised officer may, after giving him a notice to show cause in **FORM GST PCT-03** for such misconduct and after giving him a **reasonable opportunity of being heard**, by order in **FORM GST PCT -04** direct that he shall henceforth be disqualified under section 48 to function as a goods and services tax practitioner.

5. Appeal to the Commissioner

Any person against whom an order in **FORM GST PCT- 04** is made may, **within thirty days** from the date of issue of such order, appeal to the Commissioner against such order.

6. Authorisation and withdrawal of such authorization

Any registered person may, at his option, authorise a goods and services tax practitioner on the Common Portal in **FORM GST PCT-05** or, at any time, withdraw such authorisation in **FORM GST PCT-05** and the goods and services tax

practitioner so authorised shall be allowed to undertake such tasks as indicated in the said authorization during the period of authorisation.

7. Statement required to be furnished by a registered person

Where a statement required to be furnished by a registered person has been furnished by the goods and services tax practitioner authorised by him, a confirmation shall be sought from the registered person over email or SMS and the statement furnished by the goods and services tax practitioner shall be made available to the registered person on the Common Portal.

If the registered person fails to respond to the request for confirmation till the last date of furnishing of such statement, it shall be deemed that he has confirmed the statement furnished by the goods and services tax practitioner.

8. Activities can be undertaken by goods and services tax practitioner

A goods and services tax practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorised by him to:

- furnish the details of outward and inward supplies;
- furnish monthly, quarterly, annual or final return;
- make deposit for credit into the electronic cash ledger;
- file a claim for refund; and
- file an application for amendment or cancellation of registration.

If any application relating to a claim for refund or an application for amendment or cancellation of registration has been submitted by the goods and services tax practitioner authorised by the registered person, a confirmation shall be sought from the registered person and the application submitted by the said practitioner shall be made available to the registered person on the Common Portal and such application shall not be proceeded with further until the registered person gives his consent to the same.

9. Obligations of a Registered Person

Any registered person opting to furnish his return through a goods and services tax practitioner shall:

- give his consent in **FORM GST PCT-05** to any goods and services tax practitioner to prepare and furnish his return; and
- before confirming submission of any statement prepared by the goods and services tax practitioner, ensure that the facts mentioned in the return are true and correct.

10. Obligations of a goods and services tax practitioner

- prepare the statements with due diligence; and

- affix his digital signature on the statements prepared by him or electronically verify using his credentials.

A goods and services tax practitioner enrolled in any other State or Union Territory shall be treated as enrolled in the State/Union territory for the specified purposes.

Other important key points to be considered (Conditions for purposes of appearance)

- A person shall not be eligible to attend before any authority as a goods and services tax practitioner in connection with any proceedings under the Act on behalf of any registered or unregistered person unless he has been enrolled under rule 24.
- A goods and services tax practitioner attending on behalf of a registered or an unregistered person in any proceedings under the Act before any authority shall produce before such authority, if required, a copy of the authorisation given by such person in **FORM GST PCT-05**.

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.

Forms associated with goods and services tax practitioner

GST PCT - 1	Application for Enrolment as Goods and Service Tax Practitioner
GST PCT-02	Enrolment Certificate for Goods and Service Tax Practitioner
GST PCT-03	Show Cause Notice for disqualification
GST PCT-04	Order of Rejection of Application for enrolment as GST Practitioner/ Or Disqualification to function as GST Practitioner
GST PCT-05	Authorization/withdrawal of authorization of Goods and Service Tax Practitioner.

CHAPTER 32

GST Acts 2017

Contents

The Central Goods and Services Tax aCT, 2017	243
The Integrated Goods and Services Tax ACT, 2017	401
The Union Territory Goods and Services Tax ACT, 2017	426
The Goods and Services Tax (Compensation to States) ACT, 2017	447
The GST Amendment ACT, 2018.....	459

THE CENTRAL GOODS AND SERVICES TAX ACT, 2017*

No. 12 of 2017

AN

ACT

to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and the matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

CHAPTER I

* Received Presidential Assent on April 12,2017

Preliminary

1. Short title, extent and commencement.

- (1) This Act may be called the Central Goods and Services Tax Act, 2017.
- (2) It extends to the whole of India except the State of Jammu and Kashmir.
- (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. Definitions.

In this Act, unless the context otherwise requires,—

- (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 to pass any order or decision under this Act, but does not include the Central Board of Excise and Customs, the 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, *arhatia*, *del credere* 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 as 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 judgment assessment;
- (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 Government to collect the tax or any other amount payable under this Act;
- (15) “authorised representative” means the representative as referred to in section 116;
- (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 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.
- Explanation.*—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 account 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 a State or a Union territory where he has no fixed place of business;

- (21) “central tax” means the central goods and services tax levied under section 9;
- (22) “cess” shall have the same meaning as assigned to it in the Goods and Services Tax (Compensation to States) Act;
- (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) “Commissioner” means the Commissioner of central tax and includes the Principal Commissioner of central tax appointed under section 3 and the Commissioner of integrated tax appointed under the Integrated Goods and Services Tax Act;
- (25) “Commissioner in the Board” means the Commissioner referred to in section 168;
- (26) “common portal” means the common goods and services tax electronic portal referred to in section 146;
- (27) “common working days” in respect of a State or Union territory shall mean such days in succession which are not declared as gazetted holidays by the Central Government or the concerned State or Union territory Government;
- (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;
- (35) “cost accountant” means a cost accountant as defined in clause (c) of subsection (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 subsection (1) of section 34;
- (38) “debit note” means a document issued by a registered person under subsection (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 Board;
- (41) “document” includes written or printed record of any sort and electronic record as defined in clause (t) of section 2 of 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 subsection (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 wholly 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 Parliament or any Authority or person having the power 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 Central Government;
- (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;
- (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;
- (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 made to him and includes—
- (a) the integrated goods and services tax charged on import of goods;
 - (b) the tax payable under the provisions of sub-sections (3) and (4) of section 9;
 - (c) the tax payable under the provisions of sub-section (3) and (4) of section 5 of the Integrated Goods and Services Tax Act;
 - (d) the tax payable under the provisions of sub-section (3) and sub-section (4) of section 9 of the respective State Goods and Services Tax Act; or
 - (e) the tax payable under the provisions of sub-section (3) and sub-section (4) of section 7 of the Union Territory Goods and Services Tax Act,

but does not include the tax paid under the composition levy;

- (63) “input tax credit” means the credit of input tax;
- (64) “intra-State supply of goods” shall have the same 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 same 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;
 - (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;

(71) “location of the supplier of services” means,—

(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;

(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;

(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

(d) in absence of such places, the location of the usual place of residence of the supplier;

(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;

(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;

(74) “mixed supply” means two or more individual supplies of 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;

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.

(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 recognised 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;

- (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;
- (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 (11 4) ;
- (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;
 - (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 co-operative societies;
 - (j) a local authority;
 - (k) Central Government or a State Government;
 - (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 central tax who is assigned that function by the Commissioner in the Board;
- (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 Board 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 subsection (4) of section 5 of the Integrated Goods and Services Tax Act;
- (99) “Revisional Authority” means an authority appointed or authorised for revision of decision or orders as referred to in section 108;
- (100) “Schedule” means a Schedule appended to this Act;
- (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” includes a Union territory with Legislature;
- (104) “State tax” means the tax levied under any State Goods and Services Tax 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 electromagnetic means;
- (111) “the State Goods and Services Tax Act” means the respective State 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;
- (114) “Union territory” means the territory of—
- (a) the Andaman and Nicobar Islands;

- (b) Lakshadweep;
- (c) Dadra and Nagar Haveli;
- (d) Daman and Diu
- (e) Chandigarh; and
- (f) other territory.

Explanation.—For the purposes of this Act, each of the territories specified in sub-clauses (a) to (f) shall be considered to be a separate Union territory;

- (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 or both and where the goods or services or both 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 (whether as goods or in some other form) 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 Union Territory 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;
- (121) any reference in this Act to a law which is not in force in the State of Jammu and Kashmir, shall, in relation to that State be construed as a reference to the corresponding law, if any, in force in that State.

CHAPTER II

Administration

3. Officers under this Act.

The Government shall, by notification, appoint the following classes of officers for the purposes of this Act, namely:—

- (a) Principal Chief Commissioners of Central Tax or Principal Directors General of Central Tax,
- (b) Chief Commissioners of Central Tax or Directors General of Central Tax,
- (c) Principal Commissioners of Central Tax or Principal Additional Directors General of Central Tax,
- (d) Commissioners of Central Tax or Additional Directors General of Central Tax,
- (e) Additional Commissioners of Central Tax or Additional Directors of Central Tax,
- (f) Joint Commissioners of Central Tax or Joint Directors of Central Tax,
- (g) Deputy Commissioners of Central Tax or Deputy Directors of Central Tax,
- (h) Assistant Commissioners of Central Tax or Assistant Directors of Central Tax, and
- (i) any other class of officers as it may deem fit:

Provided that the officers appointed under the Central Excise Act, 1944 shall be deemed to be the officers appointed under the provisions of this Act.

4. Appointment of officers.

- (1) The Board 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.
- (2) Without prejudice to the provisions of sub-section (1), the Board may, by order, authorise any officer referred to in clauses (a) to (h) of section 3 to appoint officers of central tax below the rank of Assistant Commissioner of central tax for the administration of this Act.

5. Powers of officers.

- (1) Subject to such conditions and limitations as the Board may impose, an officer of central tax may exercise the powers and discharge the duties conferred or imposed on him under this Act.
- (2) An officer of central tax may exercise the powers and discharge the duties conferred or imposed under this Act on any other officer of central 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 who is 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 central tax.

6. Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances.

- (1) Without prejudice to the provisions of this Act, the officers appointed under the State Goods and Services Tax Act or the Union Territory 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.
- (2) Subject to the conditions specified in the notification issued under subsection (1),--
- (a) where any proper officer issues an order under this Act, he shall also issue an order under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as authorised by the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, under intimation to the jurisdictional officer of State tax or Union territory tax;
- (b) where a proper officer under the State Goods and Services Tax Act or the Union Territory 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 State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.

CHAPTER III
Levy and collection of tax

7. Scope of supply.

- (1) For the purposes of this Act, the expression “supply” includes--
- (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, 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. Tax liability on composite and mixed supplies.

The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:—

- (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. Levy and collection.

- (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central 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.
- (2) The central 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 central 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. Composition levy.

- (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,—
 - (a) one per cent. of the turnover in State or turnover in Union territory in case of a manufacturer,

- (b) two and a half per cent. of the turnover in State or turnover in Union territory in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II, and
- (c) half per cent. of the turnover in State or turnover in Union territory in case of other suppliers, 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 by the Government on the recommendations of the Council:

Provided that where more than one registered persons 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, *mutatis mutandis*, apply for determination of tax and penalty.

11. Power to grant exemption from tax.

- (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.
- (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.

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.

CHAPTER IV Time and value of supply

12. Time of supply of goods.

- (1) The liability to pay tax on goods shall arise at the time of supply, as determined in accordance with the provisions of this section.
- (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 sub-section (1) of 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 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 in respect of such excess amount.

Explanation 1.--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.

Explanation 2.--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 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) or 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) or 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. Time of supply of services.

- (1) The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.
- (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.

Explanation.—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 under the provisions of sub-section (2) or 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. Change in rate of tax in respect of supply of goods or services.

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:--

- (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.

*Explanation.--*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 account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

15. Value of taxable supply.

- (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.
- (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 State Goods and Services Tax Act, the Union Territory 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 and 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.

Explanation.—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.

Explanation.—For the purposes of this Act,—

- (a) persons shall be deemed to be “related persons” if—
 - (i) such persons are officers or directors of one another’s businesses;

- (ii) such persons are legally recognised partners in business;
 - (iii) such persons are employer and employee;
 - (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;
 - (v) one of them directly or indirectly controls the other;
 - (vi) both of them are directly or indirectly controlled by a third person;
 - (vii) together they directly or indirectly control a third person; or they are members of the same family;
- (b) the term “person” also includes legal persons;
- (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.

CHAPTER V

Input tax credit

16. Eligibility and conditions for taking input tax credit.

- (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.
- (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,—
- (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.

Explanation.—For the purposes 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 utilisation 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.

- (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 the 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. Apportionment of credit and blocked credits.

- (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.
- (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.

Explanation.—For the purposes of clauses (c) and (d), the expression “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, 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 accordance with the provisions of sections 74, 129 and 130.
- (6) The Government may prescribe the manner in which the credit referred to in subsections (1) and (2) may be attributed.

Explanation.— 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. Availability of credit in special circumstances.

(1) Subject to such conditions and restrictions as may be prescribed—

- (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 relating 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 wholly exempt, 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 percentage 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. Taking input tax credit in respect of inputs and capital goods sent for job work.

- (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.
- (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.

Explanation.—For the purpose of this section, “principal” means the person referred to in section 143.

20. Manner of distribution of credit by Input Service Distributor.

- (1) The Input Service Distributor shall distribute the credit of central tax as central tax or integrated tax and integrated tax as integrated tax or central tax, by way of issue of a document containing the amount of input tax credit being distributed in such manner as may be prescribed.
- (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 *pro rata* 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 *pro rata* 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.

Explanation.—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 the 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. Manner of recovery of credit distributed in excess.

Where the Input Service Distributor distributes the credit in contravention of the provisions contained in 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, *mutatis mutandis*, apply for determination of amount to be recovered.

CHAPTER VI Registration

22. Persons liable for registration.

- (1) Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees:

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.

- (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 or Tribunal.

Explanation.—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. Persons not liable for registration.

- (1) The following persons shall not be liable to registration, namely:--
 - (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. Compulsory registration in certain cases.

Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act,--

- (i) persons making any inter-State taxable supply;
- (ii) casual taxable persons making taxable supply;
- (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 making taxable supply;
- (vi) persons who are required to deduct tax under section 51, whether or not separately registered under this Act;
- (vii) persons who make taxable supply of 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.

25. Procedure for registration.

- (1) Every person who is liable to be registered under section 22 or section 24 shall apply for registration in every such State or Union territory in which he is so liable 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:

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.

Explanation.—Every person who makes a supply from the territorial waters of India shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate base line is located.

- (2) A person seeking registration under this Act shall be granted a single registration in a State or Provided that a person having multiple business verticals in a State or Union territory 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.

(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),--

(a) any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation 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 a 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. Deemed registration.

(1) The grant of registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory 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 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 State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.

27. Special provisions relating to casual taxable person and non-resident taxable person.

- (1) The certificate of registration issued to a casual taxable person or a nonresident taxable person shall be valid for the 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:

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. Amendment of registration.

- (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 subsequent thereto, in such form and 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 State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a rejection or approval under this Act.

29. Cancellation of registration.

- (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,--
- (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) a 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 registered 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 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 State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, 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. Revocation of cancellation of registration.

- (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.
- (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 State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under this Act.

CHAPTER VII

Tax invoice, credit and debit notes

31. Tax invoice.

- (1) A registered person supplying taxable goods shall, before or at the time of,—

- (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 prescribed period, 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 such conditions as may be 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 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 payment 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 (3) or sub-section (4) of section 9 shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered 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 subsection (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier.
- (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 sub-section (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 made before such cessation.
- (7) Notwithstanding anything contained in sub-section (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.

Explanation.—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. Prohibition of unauthorised collection of tax.

- (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.
- (2) No registered person shall collect tax except in accordance with the provisions of this Act or the rules made thereunder.

33. Amount of tax to be indicated in tax invoice and other documents.

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.

34. Credit and debit notes.

- (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.

- (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 furnishing 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.

Explanation.—For the purposes of this Act, the expression “debit note” shall include a supplementary invoice.

CHAPTER VIII

Accounts and records

35. Accounts and other records.

- (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 and 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:

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 the goods in such manner 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 the provisions of 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, *mutatis mutandis*, apply for determination of such tax.

36. Period of retention of accounts.

Every registered person required to keep and maintain books of account or other records in accordance with the provisions of sub-section (1) of section 35 shall retain them until the expiry of seventy two months from the due date of furnishing 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. Furnishing details of outward supplies.

- (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 or 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:

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 State tax or Commissioner of Union territory 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.

Explanation.—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. Furnishing details of inward supplies.

- (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 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 or 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 State tax or Commissioner of Union territory 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. Furnishing of returns.

- (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 such other particulars as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.
- (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 turnover in the State or Union territory, 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 State tax or Union territory 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 made 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) or 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 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. First return.

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.

41. Claim of input tax credit and provisional acceptance thereof.

- (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the 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.
- (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. Matching, reversal and reclaim of input tax credit.

- (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--
- (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;
 - (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.
- (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 subsection (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 subsection (5) or sub-section (6), shall be liable to pay interest at the rate specified under subsection (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. Matching, reversal and reclaim of reduction in output tax liability.

- (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--
 - (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 subsection (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 subsection (5) or sub-section (6), shall be liable to pay interest at the rate specified under subsection (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. Annual return.

- (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.
- (2) Every registered person who is required to get his accounts audited in accordance with the provisions of sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) along with a copy of the audited 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. Final return.

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 order of cancellation, whichever is later, in such form and manner as may be prescribed.

46. Notice to return defaulters.

Where a registered person fails to furnish a return under section 39 or 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.

47. Levy of late fee.

- (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 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 or Union territory.

48. Goods and services tax practitioners.

- (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.
- (2) A registered person may authorise an approved goods and services 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 or section 45 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.

CHAPTER X **Payment of tax**

49. Payment of tax, interest, penalty and other amounts.

- (1) Every deposit made towards tax, interest, penalty, fee or any other amount by a 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.
- (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 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 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.

Explanation.--For the purposes of this section,—

- (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;
- (b) the expression,—
 - (i) “tax dues” means the tax payable under this Act and does not include interest, fee and penalty; and
 - (ii) “other dues” means interest, penalty, fee or any other amount payable under this Act or the rules made thereunder.

50. Interest on delayed payment of tax.

- (1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but 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.
- (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 subsection (10) of section 42 or undue or excess reduction in output

tax liability under subsection (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. Tax deduction at source.

- (1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate,--
- (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.

Explanation.--For the purpose of deduction of tax specified above, the value of supply shall be taken as the amount excluding the central tax, State tax, Union territory tax, integrated tax and cess 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. Collection of tax at source.

- (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 by the Government 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.

Explanation.—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 operator 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. Transfer of input tax credit.

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 the provisions of sub-section (5) of section 49, as reflected in the valid return furnished under sub-section (1) of section 39, the amount collected as central 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 central tax account to the integrated tax account in such manner and within such time as may be prescribed.

CHAPTER XI

Refunds

54. Refund of tax.

- (1) Any person claiming refund of any tax and interest, if any, 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:

Provided that a registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49, may claim such refund in the return furnished under section 39 in such manner as may be prescribed.

- (2) A specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation 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 by the Government 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 in respect of central tax 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 zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, 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 subsection (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 paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies;
 - (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.
- Explanation.*—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.

Explanation.—For the purposes of this section,—

- (1) “refund” includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, 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 goods themselves or, as the case may be, the 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 furnished;
- (c) in the case of services exported out of India where a refund of tax paid is available in respect of services themselves or, as the case may be, the 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.

55. Refund in certain cases.

The Government may, on the recommendations of the Council, by notification, specify any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation 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.

56. Interest on delayed refunds.

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 subsection (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:

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 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 till the date of refund.

Explanation.—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. Consumer Welfare Fund.

The Government shall constitute a Fund, to be called the Consumer Welfare Fund and there shall be credited to the Fund,—

- (a) the amount 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. Utilisation of Fund.

- (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.
- (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.

CHAPTER XII Assessment

59. Self-assessment.

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.

60. Provisional assessment.

- (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 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 or 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 of 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. Scrutiny of returns.

- (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.

- (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. Assessment of non-filers of returns.

- (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.
- (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. Assessment of unregistered persons.

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:

Provided that no such assessment order shall be passed without giving the person an opportunity of being heard.

64. Summary assessment in certain special cases.

- (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:

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.

CHAPTER XIII

Audit

65. Audit by tax authorities.

- (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.
- (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.

Explanation.--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. Special audit.

- (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.
- (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.

CHAPTER XIV

Inspection, search, seizure and arrest

67. Power of inspection, search and seizure.

- (1) Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that--
 - (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 central 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 central 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 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:

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 upon 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 *almirah*, 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, *almirah*, 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 subsection (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.
- (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 the 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. Inspection of goods in movement.

- (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.
- (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. Power to arrest.

- (1) Where the Commissioner has reasons to believe that a 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 central tax to arrest such person.
- (2) Where a person is arrested under sub-section (1) for an offence specified under subsection (5) of section 132, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within twenty four hours.
- (3) Subject to the provisions of the Code of Criminal Procedure, 1973,—
 - (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;
 - (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.

70. Power to summon persons to give evidence and produce documents.

- (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.
- (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. Access to business premises.

- (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.

- (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;
 - (iv) cost audit report, if any, under section 148 of the Companies Act, 2013;
 - (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. Officers to assist proper officers.

- (1) All officers of Police, Railways, Customs, and those officers engaged in the collection of land revenue, including village officers, officers of State tax and officers of Union territory tax shall assist the proper officers in the implementation of this Act.
- (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. 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.

- (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 as to 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.

- (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 furnishing 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. Determination of tax not paid or 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.

- (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 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 as to 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.
- (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.
- (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 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.

- (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.
- (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 furnishing 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.

Explanation 1.— 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.

Explanation 2.--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. General provisions relating to determination of tax.

- (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.
- (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-misstatement 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 subsection (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 the 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. Tax collected but not paid to Government.

- (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.

- (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 as to 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. Tax wrongfully collected and paid to Central Government or State Government.

- (1) A registered person who has paid the Central tax and State tax or, as the case may be, the central tax and the Union territory 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.

- (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 central tax and State tax or, as the case may be, the central tax and the Union territory tax payable.

78. Initiation of recovery proceedings.

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: 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. Recovery of tax.

- (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:--
- (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;
 - (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 State tax or Union territory 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 State tax or Union territory 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. Payment of tax and other amount in instalments.

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 and subject to such conditions and limitations as may be prescribed:

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. Transfer of property to be void in certain cases.

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:

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. Tax to be first charge on property.

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 shall be a first charge on the property of such taxable person or such person.

83. Provisional attachment to protect revenue in certain cases.

- (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.

- (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. Continuation and validation of certain recovery proceedings.

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--

- (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.

CHAPTER XVI

Liability to pay in certain cases

85. Liability in case of transfer of business.

- (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 upto 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.
- (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. Liability of agent and principal.

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.

87. Liability in case of amalgamation or merger of companies.

- (1) When two or more companies are amalgamated or merged in pursuance of an order of court or of 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.
- (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.

88. Liability in case of company in liquidation.

- (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.
- (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.

89. Liability of directors of private company.

- (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.
- (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. Liability of partners of firm to pay tax.

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 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. Liability of guardians, trustees, etc.

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.

92. Liability of Court of Wards, etc.

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.

93. Special provisions regarding liability to pay tax, interest or penalty in certain cases.

- (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--
- (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.
- (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.
- (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.
- (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 upto 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. Liability in other cases.

- (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--
- (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 to partition.

*Explanation.--*For the purposes of this Chapter,--

- (i) a “Limited Liability Partnership” formed and registered under the provisions of the Limited Liability Partnership Act, 2008 shall also be considered as a firm;
- (ii) “court” means the District Court, High Court or Supreme Court.

CHAPTER XVII

Advance ruling

95. Definitions.

In this Chapter, unless the context otherwise requires,--

- (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 referred to in section 96 ;
- (e) “Appellate Authority” means the Appellate Authority for Advance Ruling referred to in section 99.

96. Authority for advance ruling.

Subject to the provisions of this Chapter, for the purposes of this Act, the Authority for advance ruling constituted under the provisions of a State Goods and Services Tax Act or Union Territory Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.

97. Application for advance ruling.

- (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 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. Procedure on receipt of application.

- (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:

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.

99. Appellate Authority for Advance Ruling.

Subject to the provisions of this Chapter, for the purposes of this Act, the Appellate Authority for Advance Ruling constituted under the provisions of a State Goods and Services Tax Act or a Union Territory Goods and Services Tax Act shall be deemed to be the Appellate Authority in respect of that State or Union territory.

100. Appeal to Appellate Authority.

- (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.
- (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. Orders of Appellate Authority.

- (1) The Appellate Authority may, after giving the parties to the appeal or reference an opportunity of being heard, pass such order as it thinks fit, confirming or modifying the ruling appealed against or referred to.

- (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. Rectification of advance ruling.

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, the applicant or the appellant within a period of six months from the date of the order:

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. Applicability of advance ruling.

- (1) The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only—
 - (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. Advance ruling to be void in certain circumstances.

- (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 *ab-initio* and thereupon all the provisions of this Act or the rules made thereunder shall apply to the applicant or the appellant as if such advance ruling had never been made:

Provided that no order shall be passed under this sub-section unless an opportunity of being heard has been given to the applicant or the appellant.

Explanation.—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-sections (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.

105. Powers of Authority and Appellate Authority.

- (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.

- (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 proceeding 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. Procedure of Authority and Appellate Authority.

The Authority or the Appellate Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure.

CHAPTER XVIII

Appeals and revision

107. Appeals to Appellate Authority.

- (1) Any person aggrieved by any decision or order passed under this Act or the State Goods and Services Tax Act or the Union Territory 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.

- (2) The Commissioner may, on his own motion, or upon request from the Commissioner of State tax or the Commissioner of Union territory tax, call for and examine the record of any proceedings in which an adjudicating authority has passed any decision or order under this Act or the State Goods and Services Tax Act or the Union Territory 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 jurisdictional Commissioner or the authority designated by him in this behalf and the jurisdictional Commissioner of State tax or Commissioner of Union Territory 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. Procedure of Authority and Appellate Authority.

- (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 State tax, or the Commissioner of Union territory 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 State Goods and Services Tax Act or the Union Territory 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.
- (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 subsection (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 High Court and 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.

109. Constitution of Appellate Tribunal and Benches thereof.

- (1) The Government shall, on the recommendations of the Council, by notification, constitute with effect from such date as may be specified therein, an Appellate Tribunal known as the Goods and Services Tax Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority.
- (2) The powers of the Appellate Tribunal shall be exercisable by the National Bench and Benches thereof (hereinafter in this Chapter referred to as “Regional Benches”), State Bench and Benches thereof (hereafter in this Chapter referred to as “Area Benches”).

- (3) The National Bench of the Appellate Tribunal shall be situated at New Delhi which shall be presided over by the President and shall consist of one Technical Member (Centre) and one Technical Member (State).
- (4) The Government shall, on the recommendations of the Council, by notification, constitute such number of Regional Benches as may be required and such Regional Benches shall consist of a Judicial Member, one Technical Member (Centre) and one Technical Member (State).
- (5) The National Bench or Regional Benches of the Appellate Tribunal shall have jurisdiction to hear appeals against the orders passed by the Appellate Authority or the Revisional Authority in the cases where one of the issues involved relates to the place of supply.
- (6) The Government shall, by notification, specify for each State or Union territory, a Bench of the Appellate Tribunal (hereafter in this Chapter, referred to as "State Bench") for exercising the powers of the Appellate Tribunal within the concerned State or Union territory:
Provided that the Government shall, on receipt of a request from any State Government, constitute such number of Area Benches in that State, as may be recommended by the Council:
Provided further that the Government may, on receipt of a request from any State, or on its own motion for a Union territory, notify the Appellate Tribunal in a State to act as the Appellate Tribunal for any other State or Union territory, as may be recommended by the Council, subject to such terms and conditions as may be prescribed.
- (7) The State Bench or Area Benches shall have jurisdiction to hear appeals against the orders passed by the Appellate Authority or the Revisional Authority in the cases involving matters other than those referred to in sub-section (5).
- (8) The President and the State President shall, by general or special order, distribute the business or transfer cases among Regional Benches or, as the case may be, Area Benches in a State.
- (9) Each State Bench and Area Benches of the Appellate Tribunal shall consist of a Judicial Member, one Technical Member (Centre) and one Technical Member (State) and the State Government may designate the senior most Judicial Member in a State as the State President.
- (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 lakh 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.

- (11) If the Members of the National Bench, Regional Benches, State Bench or Area Benches differ in opinion on any point or points, it shall be decided according to the opinion of the majority, if there is a majority, but if the Members are equally divided, they shall state the point or points on which they differ, and the case shall be referred by the President or as the case may be, State President for hearing on such point or points to one or more of the other Members of the National Bench, Regional Benches, State Bench or Area Benches and such point or points shall be decided according to the opinion of the majority of Members who have heard the case, including those who first heard it.
- (12) The Government, in consultation with the President may, for the administrative convenience, transfer—
- (a) any Judicial Member or a Member Technical (State) from one Bench to another Bench, whether National or Regional; or
 - (b) any Member Technical (Centre) from one Bench to another Bench, whether National, Regional, State or Area.
- (13) The State Government, in consultation with the State President may, for the administrative convenience, transfer a Judicial Member or a Member Technical (State) from one Bench to another Bench within the State.
- (14) No act or proceedings of the Appellate Tribunal shall be questioned or shall be invalid merely on the ground of the existence of any vacancy or defect in the constitution of the Appellate Tribunal.

110. President and Members of Appellate Tribunal, their qualification, appointment, conditions of service, etc.

- (1) A person shall not be qualified for appointment as—
- (a) the President, unless he has been a Judge of the Supreme Court or is or has been the Chief Justice of a High Court, or is or has been a Judge of a High Court for a period not less than five years;
 - (b) a Judicial Member, unless he—
 - (i) has been a Judge of the High Court; or

- (ii) is or has been a District Judge qualified to be appointed as a Judge of a High Court; or
 - (iii) is or has been a Member of Indian Legal Service and has held a post not less than Additional Secretary for three years;
 - (c) a Technical Member (Centre) unless he is or has been a member of Indian Revenue (Customs and Central Excise) Service, Group A, and has completed at least fifteen years of service in Group A;
 - (d) a Technical Member (State) unless he is or has been an officer of the State Government not below the rank of Additional Commissioner of Value Added Tax or the State goods and services tax or such rank as may be notified by the concerned State Government on the recommendations of the Council with at least three years of experience in the administration of an existing law or the State Goods and Services Tax Act or in the field of finance and taxation.
- (2) The President and the Judicial Members of the National Bench and the Regional Benches shall be appointed by the Government after consultation with the Chief Justice of India or his nominee:

Provided that in the event of the occurrence of any vacancy in the office of the President by reason of his death, resignation or otherwise, the senior most Member of the National Bench shall act as the President until the date on which a new President, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office:

Provided further that where the President is unable to discharge his functions owing to absence, illness or any other cause, the senior most Member of the National Bench shall discharge the functions of the President until the date on which the President resumes his duties.
- (3) The Technical Member (Centre) and Technical Member (State) of the National Bench and Regional Benches shall be appointed by the Government on the recommendations of a Selection Committee consisting of such persons and in such manner as may be prescribed.
- (4) The Judicial Member of the State Bench or Area Benches shall be appointed by the State Government after consultation with the Chief Justice of the High Court of the State or his nominee.
- (5) The Technical Member (Centre) of the State Bench or Area Benches shall be appointed by the Central Government and Technical Member (State) of the State Bench or Area Benches shall be appointed by the State Government in such manner as may be prescribed.

- (6) No appointment of the Members of the Appellate Tribunal shall be invalid merely by the reason of any vacancy or defect in the constitution of the Selection Committee.
- (7) Before appointing any person as the President or Members of the Appellate Tribunal, the Central Government or, as the case may be, the State Government, shall satisfy itself that such person does not have any financial or other interests which are likely to prejudicially affect his functions as such President or Member.
- (8) The salary, allowances and other terms and conditions of service of the President, State President and the Members of the Appellate Tribunal shall be such as may be prescribed:
Provided that neither salary and allowances nor other terms and conditions of service of the President, State President or Members of the Appellate Tribunal shall be varied to their disadvantage after their appointment.
- (9) The President of the Appellate Tribunal shall hold office for a term of three years from the date on which he enters upon his office, or until he attains the age of seventy years, whichever is earlier and shall be eligible for reappointment.
- (10) The Judicial Member of the Appellate Tribunal and the State President shall hold office for a term of three 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 reappointment.
- (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 reappointment.
- (12) The President, State President or any Member may, by notice in writing under his hand addressed to the Central Government or, as the case may be, the State Government resign from his office:
Provided that the President, State President or Member shall continue to hold office until the expiry of three months from the date of receipt of such notice by the Central Government, or, as the case may be, the State Government or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earliest.
- (13) The Central Government may, after consultation with the Chief Justice of India, in case of the President, Judicial Members and Technical Members of the National Bench, Regional Benches or Technical Members (Centre) of the State Bench or Area Benches, and the State Government may, after

consultation with the Chief Justice of High Court, in case of the State President, Judicial Members, Technical Members (State) of the State Bench or Area Benches, may remove from the office such President or Member, who—

- (a) has been adjudged an insolvent; or
- (b) has been convicted of an offence which, in the opinion of such Government involves moral turpitude; or
- (c) has become physically or mentally incapable of acting as such President, State President or Member; or
- (d) has acquired such financial or other interest as is likely to affect prejudicially his functions as such President, State President or Member; or
- (e) has so abused his position as to render his continuance in office prejudicial to the public interest:

Provided that the President, State President or the Member shall not be removed on any of the grounds specified in clauses (d) and (e), unless he has been informed of the charges against him and has been given an opportunity of being heard.

(14) Without prejudice to the provisions of sub-section (13),--

- (a) the President or a Judicial and Technical Member of the National Bench or Regional Benches, Technical Member (Centre) of the State Bench or Area Benches shall not be removed from their office except by an order made by the Central Government on the ground of proved misbehaviour or incapacity after an inquiry made by a Judge of the Supreme Court nominated by the Chief Justice of India on a reference made to him by the Central Government and of which the President or the said Member had been given an opportunity of being heard;
- (b) the Judicial Member or Technical Member (State) of the State Bench or Area Benches shall not be removed from their office except by an order made by the State Government on the ground of proved misbehaviour or incapacity after an inquiry made by a Judge of the concerned High Court nominated by the Chief Justice of the concerned High Court on a reference made to him by the State Government and of which the said Member had been given an opportunity of being heard.

(15) The Central Government, with the concurrence of the Chief Justice of India, may suspend from office, the President or a Judicial or Technical Members

of the National Bench or the Regional Benches or the Technical Member (Centre) of the State Bench or Area Benches in respect of whom a reference has been made to the Judge of the Supreme Court under sub-section (14).

- (16) The State Government, with the concurrence of the Chief Justice of the High Court, may suspend from office, a Judicial Member or Technical Member (State) of the State Bench or Area Benches in respect of whom a reference has been made to the Judge of the High Court under sub-section (14).
- (17) Subject to the provisions of article 220 of the Constitution, the President, State President or other Members, on ceasing to hold their office, shall not be eligible to appear, act or plead before the National Bench and the Regional Benches or the State Bench and the Area Benches thereof where he was the President or, as the case may be, a Member.

111. Procedure before Appellate Tribunal.

- (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.
- (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;
 - (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 *ex parte*;
 - (g) setting aside any order of dismissal of any representation for default or any order passed by it *ex parte*; 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.
- (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. Appeals to Appellate Tribunal.

- (1) Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the State Goods and Services Tax Act or the Union Territory 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.
- (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 State tax or Commissioner of Union territory tax, call for and examine the record of any order passed by the Appellate Authority or the Revisional Authority under this Act or the State Goods and Services Tax Act or the Union Territory 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 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. Orders of Appellate Tribunal.

- (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.

- (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 State tax or the Commissioner of the Union territory 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 jurisdictional Commissioner or the Commissioner of State tax or the Union territory 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. Financial and administrative powers of President.

The President shall exercise such financial and administrative powers over the National Bench and Regional Benches of the Appellate Tribunal as may be prescribed:

Provided that the 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 National Bench and Regional 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 President.

115. Interest on refund of amount paid for admission of appeal.

Where an amount paid by the appellant under sub-section (6) of section 107 or 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.

116. Appearance by authorised representative.

- (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, 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 State 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 State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be disqualified under this Act.

117. Appeal to High Court.

- (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.
- (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.
- (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. Appeal to Supreme Court.

- (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
 - (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.
- (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. Sums due to be paid notwithstanding appeal, etc.

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 subsection (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.

120. Appeal not to be filed in certain cases.

- (1) The Board may, on the recommendations of the Council, from time to time, issue orders or instructions or directions fixing such monetary limits, as it may deem fit, for the purposes of regulating the filing of appeal or application by the officer of the central tax under the provisions of this Chapter.
- (2) Where, in pursuance of the orders or instructions or directions issued under subsection (1), the officer of the central 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 central 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 central 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 central 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 central tax in pursuance of the orders or instructions or directions issued under subsection (1).

121. Non-appealable decisions and orders.

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 central tax if such decision taken or order passed relates to any one or more of the following matters, namely:—

- (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.

CHAPTER XIX
Offences and penalties

122. Penalty for certain offences.

- (1) Where a taxable person who--
 - (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 accordance with the provisions 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 subsection (2) thereof, the amount deducted as tax;
 - (vi) fails to collect tax in accordance with the provisions 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 document;
- (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,—
- (a) 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;
 - (b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees or 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 central 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. Penalty for failure to furnish information return.

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:

Provided that the penalty imposed under this section shall not exceed five thousand rupees.

124. Fine for failure to furnish statistics.

If any person required to furnish any information or return under section 151,—

- (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. General penalty.

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 Act, shall be liable to a penalty which may extend to twenty five thousand rupees.

126. General disciplines related to penalty.

- (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.

Explanation.--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. Power to impose penalty in certain cases.

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.

128. Power to waive penalty or fee or both.

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.

129. Detention, seizure and release of goods and conveyances in transit.

- (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 conveyance shall be liable to detention or seizure and after detention or seizure, shall be released,--
 - (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, *mutatis mutandis*, 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 (3) 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 (3) 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 accordance with the provisions 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. Confiscation of goods or conveyances and levy of penalty.

- (1) Notwithstanding anything contained in this Act, if any person—
 - (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 subsection (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.

131. Confiscation or penalty not to interfere with other punishments.

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.

132. Punishment for certain offences.

- (1) Whoever commits any of the following offences, namely:—
- (a) supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act or the rules made thereunder, 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) Where 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.

- (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 subsection (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 State Goods and Services Tax Act, the Integrated Goods and Services Tax Act or the Union Territory Goods and Services Tax Act and cess levied under the Goods and Services Tax (Compensation to States) Act.

133. Liability of officers and certain other persons.

Where any person engaged in connection with the collection of statistics under section 151 or compilation or computerisation thereof or if any officer of central tax having access to information specified under sub-section (1) of section 150, or if any person engaged in connection with the provision of service on the common portal or the agent of common 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 prosecution for 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.

(2) Any person—

- (a) who is a Government servant shall not be prosecuted for any offence under this section except with the previous sanction of the Government;
- (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.

134. Cognizance of offences.

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.

135. Presumption of culpable mental state.

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.

Explanation.—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. Relevancy of statements under certain circumstances.

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,—

- (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. Offences by companies.

- (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.

- (2) Notwithstanding anything contained in sub-section (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 *karta* 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, *mutatis mutandis*, 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.

Explanation.--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.

138. Compounding of offences.

- (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 be, of such compounding amount in such manner as may be prescribed:

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 (1) 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 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.

CHAPTER XX

Transitional provisions

139. Migration of existing taxpayers.

- (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, which 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. Transitional arrangements for input tax credit.

- (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, the amount of CENVAT credit 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 in such manner as may be prescribed:

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 manufactured and cleared under such exemption notifications as are notified by the Government.
- (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 CENVAT 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 CENVAT credit under the existing law and is also admissible as input tax credit under this Act.

Explanation.—For the purposes of this sub-section, the expression “unavailed CENVAT credit” means the amount that remains after subtracting the amount of CENVAT credit already availed in respect of capital goods by the taxable person under the existing law from the aggregate amount of CENVAT 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 manufacture of exempted goods or provision of exempted services, or who was providing works contract service and was availing of the benefit of notification No. 26/2012—Service Tax, dated the 20th June, 2012 or a first stage dealer or a second stage dealer or a registered importer or a depot of a manufacturer, shall be entitled to take, in his electronic credit ledger, credit of eligible duties 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 duty under the existing law in respect of such inputs;
 - (iv) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day; and
 - (v) the supplier of services is not eligible for any abatement under this Act:

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 duty 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 manufacture of taxable as well as exempted goods under the Central Excise Act, 1944 or provision of taxable as well as exempted services under Chapter V of the Finance Act, 1994, but which are liable to tax under this Act, shall be entitled to take, in his electronic credit ledger,—
- (a) the amount of CENVAT credit carried forward in a return furnished under the existing law by him accordance with the provisions of subsection (1); and
 - (b) the amount of CENVAT credit of eligible duties 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 services, 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 eligible duties and taxes in respect of inputs or input services received on or after the appointed day but the duty or 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 duty or tax paying document of the same was recorded in the books of accounts 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 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 eligible duties 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 duty 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) Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as credit under this Act even if the invoices relating to such services are received on or after the appointed day.

- (8) Where a registered person having centralised registration under the existing law has obtained a registration under this Act, such person shall

be allowed to take, in his electronic credit ledger, credit of the amount of CENVAT credit carried forward in a return, furnished under the existing law by him, in respect of the period ending with the day immediately preceding the appointed day in such manner as may be prescribed:

Provided that if the registered person furnishes his return for the period ending with the day immediately preceding the appointed day within three months of the appointed day, such credit shall be allowed subject to the condition that the said return is either an original return or a revised return where the credit has been reduced from that claimed earlier:

Provided further that the registered person shall not be allowed to take credit unless the said amount is admissible as input tax credit under this Act:

Provided also that such credit may be transferred to any of the registered persons having the same Permanent Account Number for which the centralised registration was obtained under the existing law.

- (9) Where any CENVAT credit availed for the input services provided under the existing law has been reversed due to non-payment of the consideration within a period of three months, such credit can be reclaimed subject to the condition that the registered person has made the payment of the consideration for that supply of services within a period of three months from the appointed day.
- (10) The amount of credit under sub-sections (3), (4) and (6) shall be calculated in such manner as may be prescribed.

Explanation 1.—For the purposes of sub-sections (3), (4) and (6), the expression “eligible duties” means—

- (i) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957;
- (ii) the additional duty leviable under sub-section (1) of section 3 of the Customs Tariff Act, 1975;
- (iii) the additional duty leviable under sub-section (5) of section 3 of the Customs Tariff Act, 1975;
- (iv) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978;
- (v) the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985;
- (vi) the duty of excise specified in the Second Schedule to the Central Excise Tariff Act, 1985; and

(vii) the National Calamity Contingent Duty leviable under section 136 of the Finance Act, 2001;

in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day.

Explanation 2.—For the purposes of sub-section (5), the expression “eligible duties and taxes” means—

(i) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957;

(ii) the additional duty leviable under sub-section (1) of section 3 of the Customs Tariff Act, 1975;

(iii) the additional duty leviable under sub-section (5) of section 3 of the Customs Tariff Act, 1975;

(iv) the additional duty of excise leviable under section 3 of the Additional Duties of Excise (Textile and Textile Articles) Act, 1978;

(v) the duty of excise specified in the First Schedule to the Central Excise Tariff Act, 1985;

(vi) the duty of excise specified in the Second Schedule to the Central Excise Tariff Act, 1985;

(vii) the National Calamity Contingent Duty leviable under section 136 of the Finance Act, 2001; and

(viii) the service tax leviable under section 66B of the Finance Act, 1994, in respect of inputs and input services received on or after the appointed day.

141. Transitional provisions relating to job work.

(1) Where any inputs received at a place of business had been removed as such or removed 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:

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 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.

- (2) Where any semi-finished goods had been removed from the 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 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 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 manufacturer 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 the period specified in this sub-section.

- (3) Where any excisable goods manufactured at a place of business had been removed without payment of duty for carrying out tests or any other process not amounting to manufacture, to any other premises, whether registered or not, in accordance with the provisions of existing law prior to the appointed day and such goods, are returned to the said place 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 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 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 manufacturer 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 the period specified in this sub-section.

- (4) The tax under sub-sections (1), (2) and (3) shall not be payable, only if the manufacturer and the job-worker declare the details of the inputs or goods held in stock by the job-worker on behalf of the manufacturer on the appointed day in such form and manner and within such time as may be prescribed.

142. Miscellaneous transitional provisions.

- (1) Where any goods on which duty, if any, had been paid under the existing law at the time of removal 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 duty 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:

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 or services or both is revised upwards on or after the appointed day, the registered person who had removed or provided such goods or services or both shall 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 or services or both is revised downwards on or after the appointed day, the registered person who had removed or provided such goods or services or both 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 CENVAT credit, duty, 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 paid in cash, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of sub section (2) of section 11B of the Central Excise Act, 1944:

Provided that where any claim for refund of CENVAT credit is fully or partially rejected, the amount so rejected shall lapse:

Provided further that no refund shall be allowed of any amount of CENVAT 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 duty or tax paid under existing law in respect of the goods or services 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 CENVAT credit is fully or partially rejected, the amount so rejected shall lapse:

Provided further that no refund shall be allowed of any amount of CENVAT credit where the balance of the said amount as on the appointed day has been carried forward under this Act.

- (5) Every claim filed by a person after the appointed day for refund of tax paid under the existing law in respect of services not provided shall be disposed of in accordance with the provisions of existing law and any amount eventually accruing to him shall be paid in cash, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944.

- (6) (a) every proceeding of appeal, review or reference relating to a claim for CENVAT credit initiated whether before, on or after the appointed day under the existing law shall be disposed of in accordance with the provisions of existing law, and any amount of credit found

to be admissible to the claimant shall be refunded to him in cash, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act:

Provided that no refund shall be allowed of any amount of CENVAT 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, review or reference relating to recovery of CENVAT credit initiated whether before, on or after the appointed day under the existing law shall be disposed of in accordance with the provisions of existing law and if any amount of credit becomes recoverable as a result of such appeal, 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.
- (7) (a) every proceeding of appeal, review or reference relating to any output duty or 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, review or reference, the same shall, unless recovered under the existing law, be recovered as an arrear of duty or tax under this Act and the amount so recovered shall not be admissible as input tax credit under this Act.
- (b) every proceeding of appeal, review or reference relating to any output duty or 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, notwithstanding anything to the contrary contained under the provisions of existing law other than the provisions of subsection (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act.
- (8) (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, notwithstanding anything to the contrary contained in the said law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act.
- (9) (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 CENVAT 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 CENVAT credit is found to be admissible to any taxable person, the same shall be refunded to him in cash under the existing law, notwithstanding anything to the contrary contained in the said law other than the provisions of sub-section (2) of section 11B of the Central Excise Act, 1944 and the amount rejected, if any, shall not be admissible as input tax credit under this Act.
- (10) 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.
- (11) (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 Value Added Tax Act of the State;
- (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;

(c) where tax was paid on any supply both under the Value Added Tax Act 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.

(12) 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 a period specified in this subsection:

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 a period specified in this sub-section.

(13) Where a supplier has made any sale of goods in respect of which tax was required to be deducted at source under any law of a State or Union territory relating to Value Added Tax 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 expressions "capital goods", "Central Value Added Tax (CENVAT) credit" "first stage dealer", "second stage dealer", or "manufacture" shall have the same meaning as respectively assigned to them in the Central Excise Act, 1944 or the rules made thereunder.

CHAPTER XXI **Miscellaneous**

143. Job work procedure.

(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,—

- (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 accordance with the provisions of this clause 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 the provisions of clause (a) of subsection (1) or are not supplied from the place of business of the job worker in accordance with the provisions of clause (b) of subsection (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 the provisions of clause (a) of sub-section (1) or are not supplied from the place of business of the job worker in accordance with the provisions of 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.

Explanation.--For the purposes 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. Presumption as to documents in certain cases.

Where any document--

- (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. Admissibility of micro films, facsimile copies of documents and computer printouts as documents and as evidence.

- (1) Notwithstanding anything contained in any other law for the time being in force,—
 - (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 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. Common Portal.

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.

147. Deemed Exports.

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.

148. Special procedure for certain processes.

The Government may, on the recommendations of the Council, and subject to such conditions and safeguards as may be prescribed, notify certain classes of

registered persons, and the special procedures to be followed by such persons including those with regard to registration, furnishing of return, payment of tax and administration of such persons.

149. Goods and services tax compliance rating.

- (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.
- (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. Obligation to furnish information return.

- (1) Any person, being—
 - (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
 - (d) an income tax authority appointed under the provisions of the Income-tax Act, 1961; or
 - (e) a banking company within the meaning of clause (a) of section 45A of the Reserve Bank of India Act, 1934; or
 - (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
 - (g) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908; or
 - (h) a Registrar within the meaning of the Companies Act, 2013; or
 - (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 in Land Acquisition, Rehabilitation and Resettlement Act, 2013; or
- (k) the recognised stock exchange referred to in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; or
- (l) a depository referred to in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996; or
- (m) an officer of the Reserve Bank of India as constituted under section 3 of the Reserve Bank of India Act, 1934; or
- (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. Power to collect statistics.

- (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.
- (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. Bar on disclosure of information.

- (1) No information of any individual return or part thereof with respect to any matter given for the purposes of section 150 or 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 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 computerisation 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. Taking assistance from an expert.

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.

154. Power to take samples.

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.

155. Burden of proof.

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.

156. Persons deemed to be public servants.

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.

157. Protection of action taken under this Act.

- (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 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. Disclosure of information by a public servant.

- (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.
- (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,—
 - (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 particulars to an officer of the Government as may be necessary for the purposes of any other law for the time being in force; or
- (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. Publication of information in respect of persons in certain cases.

- (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.
- (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.

Explanation.—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. Assessment proceedings, etc., not to be invalid on certain grounds.

- (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 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. Rectification of errors apparent on the face of record.

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 State Goods and Services Tax Act or an officer appointed under the Union Territory 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:

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. Bar on jurisdiction of civil courts.

Save as provided in sections 117 and 118, no civil court shall have jurisdiction to deal with or decide any question arising from or relating to anything done or purported to be done under this Act.

163. Levy of fee.

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.

164. Power of Government to make rules.

(1) The Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.

- (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) or sub-section (2) may provide that a contravention thereof shall be liable to a penalty not exceeding ten thousand rupees.

165. Power to make regulations.

The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the provisions of this Act.

166. Laying of rules, regulations and notifications.

Every rule made by the Government, every regulation made by the Board 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 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.

167. Delegation of powers.

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.

168. Power to issue instructions or directions.

- (1) The Board may, if it 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 central 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.

- (2) The Commissioner specified in clause (91) of section 2, sub-section (3) of section 5, clause (b) of sub-section (9) of section 25, sub-sections (3) and (4) of section 35, sub-section (1) of section 37, sub-section (2) of section 38, sub-section (6) of section 39, sub-section (5) of section 66, sub-section (1) of section 143, sub-section (1) of section 151, clause (1) of sub-section (3) of section 158 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.

169. Service of notice in certain circumstances.

- (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:—
- (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. Rounding off of tax, etc.

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.

171. Anti-profiteering measure.

- (1) Any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit 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. Removal of difficulties.

- (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:

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.

173. Amendment of Act 32 of 1994.

Save as otherwise provided in this Act, Chapter V of the Finance Act, 1994 shall be omitted.

174. Repeal and saving.

- (1) Save as otherwise provided in this Act, on and from the date of commencement of this Act, the Central Excise Act, 1944 (except as respects goods included in entry 84 of the Union List of the Seventh Schedule to the Constitution), the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, the Additional Duties of Excise (Goods of Special Importance) Act, 1957, the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, and the Central Excise Tariff Act, 1985 (hereafter referred to as the repealed Acts) are hereby repealed.

- (2) The repeal of the said Acts and the amendment of the Finance Act, 1994 (hereafter referred to as “such amendment” or “amended Act”, as the case may be) to the extent mentioned in the sub-section (1) or section 173 shall not—

- (a) revive anything not in force or existing at the time of such amendment or repeal; or
- (b) affect the previous operation of the amended Act or repealed Acts and orders or anything duly done or suffered thereunder; or
- (c) affect any right, privilege, obligation, or liability acquired, accrued or incurred under the amended Act or repealed Acts or orders under such repealed or amended 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 duty, tax, surcharge, fine, 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 amended Act or repealed Acts; or
- (e) affect any investigation, inquiry, verification (including scrutiny and audit), assessment proceedings, adjudication and any other legal

proceedings or recovery of arrears or remedy in respect of any such duty, tax, surcharge, penalty, fine, interest, right, privilege, obligation, liability, forfeiture or punishment, as aforesaid, and any such investigation, inquiry, verification (including scrutiny and audit), 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 amended or repealed;

(f) affect any proceedings including that relating to an appeal, review or reference, instituted before on, or after the appointed day under the said amended Act or repealed Acts and such proceedings shall be continued under the said amended Act or repealed Acts as if this Act had not come into force and the said Acts had not been amended or repealed.

(3) The mention of the particular matters referred to in sub-sections (1) and (2) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 with regard to the effect of repeal.

SCHEDULE I

[Section 7]

Activities to be treated as supply even if made without consideration

1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets.
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 or both.
3. Supply of goods—
 - (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or
 - (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
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.

SCHEDULE II

[Section 7]

Activities to be treated as supply of goods or supply of services

1. Transfer

- (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.

2. Land and Building

- (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.

3. Treatment or process

Any treatment or process which is applied to another person's goods is a supply of services.

4. Transfer of business assets

- (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—

- (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.

5. Supply of services

The following shall be treated as supply of service, namely:—

- (a) renting of immovable property;
- (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.

Explanation.—For the purposes of this clause—

- (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:—
 - (i) an architect registered with the Council of Architecture constituted under the Architects Act, 1972; or
 - (ii) a chartered engineer registered with the Institution of Engineers (India); or
 - (iii) a licensed surveyor of the respective local body of the city or town or village or development or planning authority;
- (2) the expression “construction” includes additions, alterations, replacements or remodelling of any existing civil structure;
- (c) temporary transfer or permitting the use or enjoyment of any intellectual property right;
- (d) development, design, programming, customisation, adaptation, upgradation, enhancement, implementation of information technology software;
- (e) agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act; and
- (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.

6. Composite supply

The following composite supplies shall be treated as a supply of services, namely:—

- (a) works contract as defined in clause (119) of section 2; and
- (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.

7. Supply of Goods

The following shall be treated as supply of goods, namely:—

Supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration.

SCHEDULE III

[Section 7]

Activities or transactions which shall be treated neither as a supply of goods nor a supply of services

1. Services by an employee to the employer in the course of or in relation to his employment.
2. Services by any court or Tribunal established under any law for the time being in force.
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;
 - (b) the duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or
 - (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.
4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.
6. Actionable claims, other than lottery, betting and gambling.

Explanation.—For the purposes of paragraph 2, the term “court” includes District Court, High Court and Supreme Court.

THE INTEGRATED GOODS AND SERVICES TAX ACT, 2017*

No. 13 of 2017

AN

ACT

to make a provision for levy and collection of tax on inter-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-eighth year of the Republic of India as follows:—

**CHAPTER I
Preliminary**

1. Short title, extent and commencement.

- (1) This Act may be called the Integrated Goods and Services Tax Act, 2017.
- (2) It shall extend to the whole of India except the State of Jammu and Kashmir.
- (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. Definitions.

In this Act, unless the context otherwise requires,—

- (1) “Central Goods and Services Tax Act” means the Central Goods and Services Tax Act, 2017;
- (2) “central tax” means the tax levied and collected under the Central Goods and Services Tax Act;
- (3) “continuous journey” means a journey for which a single or more than one ticket or invoice is issued at the same time, either by a single supplier of service or through an agent acting on behalf of more than one supplier of service, and which involves no stopover between any of the legs of the journey for which one or more separate tickets or invoices are issued.

* Received Presidential Assent on April 12,2017

Explanation.--For the purposes of this clause, the term “stopover” means a place where a passenger can disembark either to transfer to another conveyance or break his journey for a certain period in order to resume it at a later point of time;

- (4) “customs frontiers of India” means the limits of a customs area as defined in section 2 of the Customs Act, 1962;
- (5) “export of goods” with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;
- (6) “export of services” means the supply of any service when,--
 - (i) the supplier of service is located in India;
 - (ii) the recipient of service is located outside India;
 - (iii) the place of supply of service is outside India;
 - (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange; and
 - (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with *Explanation 1* in section 8;
- (7) “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;
- (8) “Goods and Services Tax (Compensation to States) Act” means the Goods and Services Tax (Compensation to States) Act, 2017;
- (9) “Government” means the Central Government;
- (10) “import of goods” with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India;
- (11) “import of services” means the supply of any service, where--
 - (i) the supplier of service is located outside India;
 - (ii) the recipient of service is located in India; and
 - (iii) the place of supply of service is in India;
- (12) “integrated tax” means the integrated goods and services tax levied under this Act;
- (13) “intermediary” means a broker, an agent or any other person, by whatever name called, who arranges or facilitates the supply of goods or services or both, or securities, between two or more persons, but does not include a

person who supplies such goods or services or both or securities on his own account;

- (14) “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;
- (15) “location of the supplier of services” means,—
- (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;
 - (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;
 - (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 provision of the supply; and
 - (d) in absence of such places, the location of the usual place of residence of the supplier;
- (16) “non-taxable online recipient” means any Government, local authority, governmental authority, an individual or any other person not registered and receiving online information and database access or retrieval services in relation to any purpose other than commerce, industry or any other business or profession, located in taxable territory.
- Explanation.*—For the purposes of this clause, the expression “governmental authority” means an authority or a board or any other body,—
- (i) set up by an Act of Parliament or a State Legislature; or
 - (ii) established by any Government,

with ninety per cent. or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution;

- (17) “online information and database access or retrieval services” means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention and impossible to ensure in the absence of information technology and includes electronic services such as,--
- (i) advertising on the internet;
 - (ii) providing cloud services;
 - (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;
 - (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
 - (v) online supplies of digital content (movies, television shows, music and the like);
 - (vi) digital data storage; and
 - (vii) online gaming;
- (18) “output tax”, in relation to a taxable person, means the integrated 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;
- (19) “Special Economic Zone” shall have the same meaning as assigned to it in clause (za) of section 2 of the Special Economic Zones Act, 2005;
- (20) “Special Economic Zone developer” shall have the same meaning as assigned to it in clause (g) of section 2 of the Special Economic Zones Act, 2005 and includes an Authority as defined in clause (d) and a Co-Developer as defined in clause (f) of section 2 of the said Act;
- (21) “supply” shall have the same meaning as assigned to it in section 7 of the Central Goods and Services Tax Act;
- (22) “taxable territory” means the territory to which the provisions of this Act apply;
- (23) “zero-rated supply” shall have the meaning assigned to it in section 16;
- (24) words and expressions used and not defined in this Act but defined in 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 meaning as assigned to them in those Acts;

- (25) any reference in this Act to a law which is not in force in the State of Jammu and Kashmir, shall, in relation to that State be construed as a reference to the corresponding law, if any, in force in that State.

CHAPTER II Administration

3. Appointment of officers.

The Board may appoint such central tax officers as it thinks fit for exercising the powers under this Act.

4. Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances.

Without prejudice to the provisions of this Act, the officers appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such exceptions and conditions as the Government shall, on the recommendations of the Council, by notification, specify.

CHAPTER III Levy and collection of tax

5. Levy and collection.

- (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the integrated goods and services tax on all inter-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 forty 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:

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

- (2) The integrated 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 integrated 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 inter-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 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.

6. Power to grant exemption from tax.

- (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.

- (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.

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.

CHAPTER IV

Determination of nature of supply

7. Inter-State supply.

- (1) Subject to the provisions of section 10, supply of goods, where the location of the supplier and the place of supply are in--
- (a) two different States;
 - (b) two different Union territories; or
 - (c) a State and a Union territory,
- shall be treated as a supply of goods in the course of inter-State trade or commerce.
- (2) Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.
- (3) Subject to the provisions of section 12, supply of services, where the location of the supplier and the place of supply are in--
- (a) two different States;
 - (b) two different Union territories; or

- (c) a State and a Union territory, shall be treated as a supply of services in the course of inter-State trade or commerce.
- (4) Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.
- (5) Supply of goods or services or both,--
 - (a) when the supplier is located in India and the place of supply is outside India;
 - (b) to or by a Special Economic Zone developer or a Special Economic Zone unit; or
 - (c) in the taxable territory, not being an intra-State supply and not covered elsewhere in this section,shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.

8. Intra-State supply.

- (1) Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply:
Provided that the following supply of goods shall not be treated as intra-State supply, namely:--
 - (i) supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit;
 - (ii) goods imported into the territory of India till they cross the customs frontiers of India; or
 - (iii) supplies made to a tourist referred to in section 15.
- (2) Subject to the provisions of section 12, supply of services where the location of the supplier and the place of supply of services are in the same State or same Union territory shall be treated as intra-State supply:
Provided that the intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.
Explanation 1.--For the purposes of this Act, where a person has,--
 - (i) an establishment in India and any other establishment outside India;
 - (ii) an establishment in a State or Union territory and any other establishment outside that State; or

- (iii) an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory,

then such establishments shall be treated as establishments of distinct persons.

Explanation 2.--A person carrying on a business through a branch or an agency or a representational office in any territory shall be treated as having an establishment in that territory.

9. Supplies in territorial waters.

Notwithstanding anything contained in this Act,--

- (a) where the location of the supplier is in the territorial waters, the location of such supplier; or
- (b) where the place of supply is in the territorial waters, the place of supply, shall, for the purposes of this Act, be deemed to be in the coastal State or Union territory where the nearest point of the appropriate baseline is located.

CHAPTER V

Place of supply of goods or services or both

10. Place of supply of goods other than supply of goods imported into, or exported from India.

- (1) The place of supply of goods, other than supply of goods imported into, or exported from India, shall be as under,--
- (a) where the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods shall be the location of the goods at the time at which the movement of goods terminates for delivery to the recipient;
- (b) where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;
- (c) where the supply does not involve movement of goods, whether by the supplier or the recipient, the place of supply shall be the location of such goods at the time of the delivery to the recipient;

- (d) where the goods are assembled or installed at site, the place of supply shall be the place of such installation or assembly;
 - (e) where the goods are supplied on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, the place of supply shall be the location at which such goods are taken on board.
- (2) Where the place of supply of goods cannot be determined, the place of supply shall be determined in such manner as may be prescribed.

11. Place of supply of goods imported into, or exported from India.

The place of supply of goods,--

- (a) imported into India shall be the location of the importer;
- (b) exported from India shall be the location outside India.

12. Place of supply of services where location of supplier and recipient is in India.

- (1) The provisions of this section shall apply to determine the place of supply of services where the location of supplier of services and the location of the recipient of services is in India.
- (2) The place of supply of services, except the services specified in sub-sections (3) to (14),--
- (a) made to a registered person shall be the location of such person;
 - (b) made to any person other than a registered person shall be,--
 - (i) the location of the recipient where the address on record exists; and
 - (ii) the location of the supplier of services in other cases.
- (3) The place of supply of services,--
- (a) directly in relation to an immovable property, including services provided by architects, interior decorators, surveyors, engineers and other related experts or estate agents, any service provided by way of grant of rights to use immovable property or for carrying out or co-ordination of construction work; or
 - (b) by way of lodging accommodation by a hotel, inn, guest house, home stay, club or campsite, by whatever name called, and including a house boat or any other vessel; or
 - (c) by way of accommodation in any immovable property for organising any marriage or reception or matters related thereto, official, social,

cultural, religious or business function including services provided in relation to such function at such property; or

- (d) any services ancillary to the services referred to in clauses (a), (b) and (c),

shall be the location at which the immovable property or boat or vessel, as the case may be, is located or intended to be located:

Provided that if the location of the immovable property or boat or vessel is located or intended to be located outside India, the place of supply shall be the location of the recipient.

Explanation.—Where the immovable property or boat or vessel is located in more than one State or Union territory, the supply of services shall be treated as made in each of the respective States or Union territories, in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

- (4) The place of supply of restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery shall be the location where the services are actually performed.
- (5) The place of supply of services in relation to training and performance appraisal to,—
- (a) a registered person, shall be the location of such person;
- (b) a person other than a registered person, shall be the location where the services are actually performed.
- (6) The place of supply of services provided by way of admission to a cultural, artistic, sporting, scientific, educational, entertainment event or amusement park or any other place and services ancillary thereto, shall be the place where the event is actually held or where the park or such other place is located.
- (7) The place of supply of services provided by way of,—
- (a) organisation of a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events; or
- (b) services ancillary to organisation of any of the events or services referred to in clause (a), or assigning of sponsorship to such events,—
- (i) to a registered person, shall be the location of such person;

- (ii) to a person other than a registered person, shall be the place where the event is actually held and if the event is held outside India, the place of supply shall be the location of the recipient.

Explanation.--Where the event is held in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such event, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

- (8) The place of supply of services by way of transportation of goods, including by mail or courier to,--
 - (a) a registered person, shall be the location of such person;
 - (b) a person other than a registered person, shall be the location at which such goods are handed over for their transportation.
- (9) The place of supply of passenger transportation service to,—
 - (a) a registered person, shall be the location of such person;
 - (b) a person other than a registered person, shall be the place where the passenger embarks on the conveyance for a continuous journey:

Provided that where the right to passage is given for future use and the point of embarkation is not known at the time of issue of right to passage, the place of supply of such service shall be determined in accordance with the provisions of sub-section (2).

Explanation.--For the purposes of this sub-section, the return journey shall be treated as a separate journey, even if the right to passage for onward and return journey is issued at the same time.

- (10) The place of supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle, shall be the location of the first scheduled point of departure of that conveyance for the journey.
- (11) The place of supply of telecommunication services including data transfer, broadcasting, cable and direct to home television services to any person shall,—
 - (a) in case of services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna, be the location where the telecommunication line, leased circuit or cable connection or dish antenna is installed for receipt of services;

- (b) in case of mobile connection for telecommunication and internet services provided on post-paid basis, be the location of billing address of the recipient of services on the record of the supplier of services;
- (c) in cases where mobile connection for telecommunication, internet service and direct to home television services are provided on pre-payment basis through a voucher or any other means,--
 - (i) through a selling agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher, be the address of the selling agent or re-seller or distributor as per the record of the supplier at the time of supply; or
 - (ii) by any person to the final subscriber, be the location where such prepayment is received or such vouchers are sold;
- (d) in other cases, be the address of the recipient as per the records of the supplier of services and where such address is not available, the place of supply shall be location of the supplier of services:

Provided that where the address of the recipient as per the records of the supplier of services is not available, the place of supply shall be location of the supplier of services:

Provided further that if such pre-paid service is availed or the recharge is made through internet banking or other electronic mode of payment, the location of the recipient of services on the record of the supplier of services shall be the place of supply of such services.

Explanation.--Where the leased circuit is installed in more than one State or Union territory and a consolidated amount is charged for supply of services relating to such circuit, the place of supply of such services shall be taken as being in each of the respective States or Union territories in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

- (12) The place of supply of banking and other financial services, including stock broking services to any person shall be the location of the recipient of services on the records of the supplier of services:

Provided that if the location of recipient of services is not on the records of the supplier, the place of supply shall be the location of the supplier of services.

- (13) The place of supply of insurance services shall,--

- (a) to a registered person, be the location of such person;

- (b) to a person other than a registered person, be the location of the recipient of services on the records of the supplier of services.
- (14) The place of supply of advertisement services to the Central Government, a State Government, a statutory body or a local authority meant for the States or Union territories identified in the contract or agreement shall be taken as being in each of such States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the amount attributable to services provided by way of dissemination in the respective States or Union territories as may be determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.

13. Place of supply of services where location of supplier or location of recipient is outside India.

- (1) The provisions of this section shall apply to determine the place of supply of services where the location of the supplier of services or the location of the recipient of services is outside India.
- (2) The place of supply of services except the services specified in sub-sections (3) to (13) shall be the location of the recipient of services:
Provided that where the location of the recipient of services is not available in the ordinary course of business, the place of supply shall be the location of the supplier of services.
- (3) The place of supply of the following services shall be the location where the services are actually performed, namely:—
 - (a) services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:
Provided that when such services are provided from a remote location by way of electronic means, the place of supply shall be the location where goods are situated at the time of supply of services:
Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs and are exported after repairs without being put to any other use in India, than that which is required for such repairs;
 - (b) services supplied to an individual, represented either as the recipient of services or a person acting on behalf of the recipient, which

require the physical presence of the recipient or the person acting on his behalf, with the supplier for the supply of services.

- (4) The place of supply of services supplied directly in relation to an immovable property, including services supplied in this regard by experts and estate agents, supply of accommodation by a hotel, inn, guest house, club or campsite, by whatever name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including that of architects or interior decorators, shall be the place where the immovable property is located or intended to be located.
- (5) The place of supply of services supplied by way of admission to, or organisation of a cultural, artistic, sporting, scientific, educational or entertainment event, or a celebration, conference, fair, exhibition or similar events, and of services ancillary to such admission or organisation, shall be the place where the event is actually held.
- (6) Where any services referred to in sub-section (3) or sub-section (4) or sub-section (5) is supplied at more than one location, including a location in the taxable territory, its place of supply shall be the location in the taxable territory.
- (7) Where the services referred to in sub-section (3) or sub-section (4) or sub-section (5) are supplied in more than one State or Union territory, the place of supply of such services shall be taken as being in each of the respective States or Union territories and the value of such supplies specific to each State or Union territory shall be in proportion to the value for services separately collected or determined in terms of the contract or agreement entered into in this regard or, in the absence of such contract or agreement, on such other basis as may be prescribed.
- (8) The place of supply of the following services shall be the location of the supplier of services, namely:--
 - (a) services supplied by a banking company, or a financial institution, or a non-banking financial company, to account holders;
 - (b) intermediary services;
 - (c) services consisting of hiring of means of transport, including yachts but excluding aircrafts and vessels, up to a period of one month.

Explanation.--For the purposes of this sub-section, the expression,--

- (a) "account" means an account bearing interest to the depositor, and includes a non-resident external account and a non-resident ordinary account;

- (b) “banking company” shall have the same meaning as assigned to it under clause (a) of section 45A of the Reserve Bank of India Act, 1934;
- (c) “financial institution” shall have the same meaning as assigned to it in clause (c) of section 45-I of the Reserve Bank of India Act, 1934;
- (d) “non-banking financial company” means,—
 - (i) a financial institution which is a company;
 - (ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or
 - (iii) such other non-banking institution or class of such institutions, as the Reserve Bank of India may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.
- (9) The place of supply of services of transportation of goods, other than by way of mail or courier, shall be the place of destination of such goods.
- (10) The place of supply in respect of passenger transportation services shall be the place where the passenger embarks on the conveyance for a continuous journey.
- (11) The place of supply of services provided on board a conveyance during the course of a passenger transport operation, including services intended to be wholly or substantially consumed while on board, shall be the first scheduled point of departure of that conveyance for the journey.
- (12) The place of supply of online information and database access or retrieval services shall be the location of the recipient of services.

Explanation.—For the purposes of this sub-section, person receiving such services shall be deemed to be located in the taxable territory, if any two of the following non-contradictory conditions are satisfied, namely:—

- (a) the location of address presented by the recipient of services through internet is in the taxable territory;
- (b) the credit card or debit card or store value card or charge card or smart card or any other card by which the recipient of services settles payment has been issued in the taxable territory;
- (c) the billing address of the recipient of services is in the taxable territory;

- (d) the internet protocol address of the device used by the recipient of services is in the taxable territory;
 - (e) the bank of the recipient of services in which the account used for payment is maintained is in the taxable territory;
 - (f) the country code of the subscriber identity module card used by the recipient of services is of taxable territory;
 - (g) the location of the fixed land line through which the service is received by the recipient is in the taxable territory.
- (13) In order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules, the Government shall have the power to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service.

14. Special provision for payment of tax by a supplier of online information and database access or retrieval services.

- (1) On supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, the supplier of services located in a non-taxable territory shall be the person liable for paying integrated tax on such supply of services:

Provided that in the case of supply of online information and database access or retrieval services by any person located in a non-taxable territory and received by a non-taxable online recipient, an intermediary located in the non-taxable territory, who arranges or facilitates the supply of such services, shall be deemed to be the recipient of such services from the supplier of services in non-taxable territory and supplying such services to the non-taxable online recipient except when such intermediary satisfies the following conditions, namely:--

- (a) the invoice or customer's bill or receipt issued or made available by such intermediary taking part in the supply clearly identifies the service in question and its supplier in non-taxable territory;
- (b) the intermediary involved in the supply does not authorise the charge to the customer or take part in its charge which is that the intermediary neither collects or processes payment in any manner nor is responsible for the payment between the non-taxable online recipient and the supplier of such services;

- (c) the intermediary involved in the supply does not authorise delivery; and
 - (d) the general terms and conditions of the supply are not set by the intermediary involved in the supply but by the supplier of services.
- (2) The supplier of online information and database access or retrieval services referred to in sub-section (1) shall, for payment of integrated tax, take a single registration under the Simplified Registration Scheme to be notified by the Government:

Provided that any person located in the taxable territory representing such supplier for any purpose in the taxable territory shall get registered and pay integrated tax on behalf of the supplier:

Provided further that if such supplier does not have a physical presence or does not have a representative for any purpose in the taxable territory, he may appoint a person in the taxable territory for the purpose of paying integrated tax and such person shall be liable for payment of such tax.

CHAPTER VI

Refund of integrated tax to international tourist

15. Refund of integrated tax paid on supply of goods to tourist leaving India.

The integrated tax paid by tourist leaving India on any supply of goods taken out of India by him shall be refunded in such manner and subject to such conditions and safeguards as may be prescribed.

Explanation.--For the purposes of this section, the term "tourist" means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes.

CHAPTER VII

Zero rated supply

16. Zero rated supply.

- (1) "zero rated supply" means any of the following supplies of goods or services or both, namely:--
- (a) export of goods or services or both; or
 - (b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.

- (2) Subject to the provisions of sub-section (5) of section 17 of the Central Goods and Services Tax Act, credit of input tax may be availed for making zero-rated supplies, notwithstanding that such supply may be an exempt supply.
- (3) A registered person making zero rated supply shall be eligible to claim refund under either of the following options, namely:--
- (a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or
 - (b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied,
- in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder.

CHAPTER VIII

Apportionment of tax and settlement of funds

17. Apportionment of tax and settlement of funds.

- (1) Out of the integrated tax paid to the Central Government,--
- (a) in respect of inter-State supply of goods or services or both to an unregistered person or to a registered person paying tax under section 10 of the Central Goods and Services Tax Act;
 - (b) in respect of inter-State supply of goods or services or both where the registered person is not eligible for input tax credit;
 - (c) in respect of inter-State supply of goods or services or both made in a financial year to a registered person, where he does not avail of the input tax credit within the specified period and thus remains in the integrated tax account after expiry of the due date for furnishing of annual return for such year in which the supply was made;
 - (d) in respect of import of goods or services or both by an unregistered person or by a registered person paying tax under section 10 of the Central Goods and Services Tax Act;
 - (e) in respect of import of goods or services or both where the registered person is not eligible for input tax credit;

(f) in respect of import of goods or services or both made in a financial year by a registered person, where he does not avail of the said credit within the specified period and thus remains in the integrated tax account after expiry of the due date for furnishing of annual return for such year in which the supply was received,

the amount of tax calculated at the rate equivalent to the central tax on similar intra-State supply shall be apportioned to the Central Government.

(2) The balance amount of integrated tax remaining in the integrated tax account in respect of the supply for which an apportionment to the Central Government has been done under sub-section (1) shall be apportioned to the,--

(a) State where such supply takes place; and

(b) Central Government where such supply takes place in a Union territory:

Provided that where the place of such supply made by any taxable person cannot be determined separately, the said balance amount shall be apportioned to,--

(a) each of the States; and

(b) Central Government in relation to Union territories,

in proportion to the total supplies made by such taxable person to each of such States or Union territories, as the case may be, in a financial year:

Provided further that where the taxable person making such supplies is not identifiable, the said balance amount shall be apportioned to all States and the Central Government in proportion to the amount collected as State tax or, as the case may be, Union territory tax, by the respective State or, as the case may be, by the Central Government during the immediately preceding financial year.

(3) The provisions of sub-sections (1) and (2) relating to apportionment of integrated tax shall, *mutatis mutandis* apply to the apportionment of interest, penalty and compounding amount realised in connection with the tax so apportioned.

(4) Where an amount has been apportioned to the Central Government or a State Government under sub-section (1) or sub-section (2) or sub-section (3), the amount collected as integrated tax shall stand reduced by an amount equal to the amount so apportioned and the Central Government shall transfer to the central tax account or Union territory tax account, an amount equal to the respective amounts apportioned to the Central

Government and shall transfer to the State tax account of the respective States an amount equal to the amount apportioned to that State, in such manner and within such time as may be prescribed.

- (5) Any integrated tax apportioned to a State or, as the case may be, to the Central Government on account of a Union territory, if subsequently found to be refundable to any person and refunded to such person, shall be reduced from the amount to be apportioned under this section, to such State, or Central Government on account of such Union territory, in such manner and within such time as may be prescribed.

18. Transfer of input tax credit.

On utilisation of credit of integrated tax availed under this Act for payment of,—

- (a) Central tax in accordance with the provisions of sub-section (5) of section 49 of the Central Goods and Services Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the integrated tax account to the central tax account in such manner and within such time as may be prescribed;
- (b) Union territory tax in accordance with the provisions of section 9 of the Union Territory Goods and Services Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the integrated tax account to the Union territory tax account in such manner and within such time as may be prescribed;
- (c) State tax in accordance with the provisions of the respective State Goods and Services Tax Act, the amount collected as integrated tax shall stand reduced by an amount equal to the credit so utilised and shall be apportioned to the appropriate State Government and the Central Government shall transfer the amount so apportioned to the account of the appropriate State Government in such manner and within such time as may be prescribed.

Explanation.—For the purposes of this Chapter, “appropriate State” in relation to a taxable person, means the State or Union territory where he is registered or is liable to be registered under the provisions of the Central Goods and Services Tax Act.

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 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.

- (2) A registered person who has paid central tax and State tax or Union territory tax, as the case may be, on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall not be required to pay any interest on the amount of integrated tax payable.

CHAPTER IX **Miscellaneous**

20. Application of provisions of Central Goods and Services Tax Act.

Subject to the provisions of this Act and the rules made thereunder, the provisions of Central Goods and Services Tax Act relating to,—

- (i) scope of supply;
- (ii) composite supply and mixed supply;
- (iii) time and value of supply;
- (iv) input tax credit;
- (v) registration;
- (vi) tax invoice, credit and debit notes;
- (vii) accounts and records;
- (viii) returns, other than late fee;
- (ix) payment of tax;
- (x) tax deduction at source;
- (xi) collection of tax at source;
- (xii) assessment;
- (xiii) refunds;
- (xiv) audit;
- (xv) inspection, search, seizure and arrest;
- (xvi) demands and recovery;
- (xvii) liability to pay in certain cases;
- (xviii) advance ruling;
- (xix) appeals and revision;
- (xx) presumption as to documents;

- (xxi) offences and penalties;
- (xxii) job work;
- (xxiii) electronic commerce;
- (xxiv) transitional provisions; and
- (xxv) miscellaneous provisions including the provisions relating to the imposition of interest and penalty,

shall, *mutatis mutandis*, apply, so far as may be, in relation to integrated tax as they apply in relation to central tax as if they are enacted under this Act:

Provided that in the case of tax deducted at source, the deductor shall deduct tax at the rate of two per cent. from the payment made or credited to the supplier:

Provided further that in the case of tax collected at source, the operator shall collect tax at such rate not exceeding two per cent, as may be notified on the recommendations of the Council, of the net value of taxable supplies:

Provided also that for the purposes of this Act, the value of a supply shall include any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier:

Provided also that in cases where the penalty is leviable under the Central Goods and Services Tax Act and the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, the penalty leviable under this Act shall be the sum total of the said penalties.

21. Import of services made on or after the appointed day.

Import of services made on or after the appointed day shall be liable to tax under the provisions of this Act regardless of whether the transactions for such import of services had been initiated before the appointed day:

Provided that if the tax on such import of services had been paid in full under the existing law, no tax shall be payable on such import under this Act:

Provided further that if the tax on such import of services had been paid in part under the existing law, the balance amount of tax shall be payable on such import under this Act.

Explanation.--For the purposes of this section, a transaction shall be deemed to have been initiated before the appointed day if either the invoice relating to such supply or payment, either in full or in part, has been received or made before the appointed day.

22. Power to make rules.

- (1) The Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.
- (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.

23. Power to make regulations.

The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the provisions of this Act.

24. Laying of rules, regulations and notifications.

Every rule made by the Government, every regulation made by the Board 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 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.

25. Removal of difficulties.

- (1) If any difficulty arises in giving effect to any provision 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:

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.

THE UNION TERRITORY GOODS AND SERVICES TAX ACT, 2017*

No. 14 of 2017

AN

ACT

to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Union territories and the matter connected therewith or incidental thereto.

Be it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

CHAPTER I Preliminary

1. Short title, extent and commencement.

- (1) This Act may be called the Union Territory Goods and Services Tax Act, 2017.
- (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. Definitions.

In this Act, unless the context otherwise requires,—

- (1) “appointed day” means the date on which the provisions of this Act shall come into force.
- (2) “Commissioner” means the Commissioner of Union territory tax appointed under section 3;
- (3) “designated authority” means such authority as may be notified by the Commissioner;
- (4) “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;

- (5) “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;
- (6) “Government” means the Administrator or any authority or officer authorised to act as Administrator by the Central Government;
- (7) “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;
- (8) “Union territory” means the territory of,—
- (i) the Andaman and Nicobar Islands;
 - (ii) Lakshadweep;
 - (iii) Dadra and Nagar Haveli;
 - (iv) Daman and Diu;
 - (v) Chandigarh; or
 - (vi) other territory.

Explanation.—For the purposes of this Act, each of the territories specified in sub-clauses (i) to (vi) shall be considered to be a separate Union territory;

- (9) “Union territory tax” means the tax levied under this Act;
- (10) 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. Officers under this Act.

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:

Provided that the officers appointed under the existing law shall be deemed to be the officers appointed under the provisions of this Act.

4. Authorisation of officers.

The Administrator may, by order, 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.

5. Powers of officers.

- (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.
- (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. Authorisation of officers of central tax as proper officer in certain circumstances.

- (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.
- (2) Subject to the conditions specified in the notification issued under subsection (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.

CHAPTER III

Levy and collection of tax

7. Levy and collection.

- (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.
- (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. Power to grant exemption from tax.

- (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.
- (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 or order issued under sub-section (2) of the said section of the Central Goods and Services Tax Act shall be deemed to be a notification or, as the case may be, an order 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.

CHAPTER IV

Payment of tax

9. Payment of tax.

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;
- (c) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax;
- (d) the Union territory tax shall not be utilised towards payment of central tax.

10. Transfer of input tax credit.

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, as reflected in the valid return furnished under sub-section (1) of section 39 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.

CHAPTER V

Inspection, search seizure and arrest

11. Officers required to assist proper officers.

- (1) All officers of Police, Railways, Customs, and those officers 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.

- (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 VI

Demands and Recovery

12. Tax wrongfully collected and paid to Central Government or Union territory Government.

- (1) A registered person who has paid the central tax and the Union territory 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.
- (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 the central tax and the Union territory tax payable.

13. Recovery of tax.

- (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.
- (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.

CHAPTER VII

Advance ruling

14. Definitions.

In this Chapter, unless the context otherwise requires,—

- (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) “Appellate Authority” means the Appellate Authority for Advance Ruling constituted under section 16.
- (c) “applicant” means any person registered or desirous of obtaining registration under this Act;
- (d) “application” means an application made to the Authority under sub-section (1) of section 97 of the Central Goods and Services Tax Act;
- (e) “Authority” means the Authority for Advance Ruling, constituted under section 15;

15. Constitution of Authority for Advance Ruling.

- (1) The Central Government shall, by notification, constitute an Authority to be known as the name of the Union territory, Authority for Advance Ruling:
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.
- (2) The Authority shall consist of—
 - (i) one member from amongst the officers of central tax; and
 - (ii) one member from amongst the officers of Union territory tax, to be appointed by the Central Government.
- (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.

16. Constitution of Appellate Authority for Advance Ruling.

- (1) The Central Government shall, by notification, constitute an Appellate Authority to be known as (name of the Union territory) Appellate Authority for Advance Ruling for Goods and Services Tax for hearing appeals against the advance ruling pronounced by the Advance Ruling Authority:
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.
- (2) The Appellate Authority shall consist of—
 - (i) the Chief Commissioner of central tax as designated by the Board; and

- (ii) the Commissioner of Union territory tax having jurisdiction over the applicant.

CHAPTER VIII

Transitional provisions

17. Migration of existing tax payers.

- (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, which 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 of the Central Goods and Services Tax Act.

18. Transitional arrangements for input tax credit.

- (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, if any, 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:

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 day; or
- (iii) where the said amount of credit relates to goods sold under such exemption notifications as are notified by the Government:

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.

Explanation.—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 or goods which have suffered tax at first point of their sale in the Union territory and the subsequent sales of which are not subject to tax in the Union territory 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, if any, 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, if any, 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, if any, 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, if any, 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.

19. Transitional provisions relating to job work.

- (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:

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 (hereinafter in this 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 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.

20. Miscellaneous transitional provisions.

- (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:

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 sold such goods shall 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 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:

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 input tax credit is fully or partially rejected, the amount so rejected shall lapse:

Provided further that no refund 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.

- (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 for refund of input tax credit is fully or partially rejected, the amount so rejected shall lapse:

Provided further that no refund 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 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 the existing law.
- (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.
- (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 purposes 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.

CHAPTER IX Miscellaneous

21. Application of provisions of Central Goods and Services Tax Act.

Subject to the provisions of this Act and the rules made thereunder, the provisions of the Central Goods and Services Tax Act, relating to,—

- (i) scope of supply;
- (ii) composition levy;
- (iii) composite supply and mixed supply;
- (iv) time and value of supply;
- (v) input tax credit;
- (vi) registration;
- (vii) tax invoice, credit and debit notes;
- (viii) accounts and records;
- (ix) returns;
- (x) payment of tax;
- (xi) tax deduction at source;
- (xii) collection of tax at source;
- (xiii) assessment;
- (xiv) refunds;
- (xv) audit;
- (xvi) inspection, search, seizure and arrest;

- (xvii) demands and recovery;
- (xviii) liability to pay in certain cases;
- (xix) advance ruling;
- (xx) appeals and revision;
- (xxi) presumption as to documents;
- (xxii) offences and penalties;
- (xxiii) job work;
- (xxiv) electronic commerce;
- (xxv) settlement of funds;
- (xxvi) transitional provisions; and
- (xxvii) miscellaneous provisions including the provisions relating to the imposition of interest and penalty,

shall, *mutatis mutandis*, apply,—

- (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;
- (b) subject to the following modifications and alterations which the Central Government considers necessary and desirable to adapt those provisions to the circumstances, namely:—
 - (i) references to “this Act” shall be deemed to be references to “the Union Territory Goods and Services Tax Act, 2017”;
 - (ii) references to “Commissioner” shall be deemed to be references to “Commissioner” of Union territory tax as defined in clause (2) of section 2 of this Act;
 - (iii) references to “officers of central tax” shall be deemed to be references to “officers of Union territory tax”;
 - (iv) references to “central tax” shall be deemed to be reference to “Union territory tax” and vice versa;
 - (v) references to “Commissioner of State tax or Commissioner of Union territory tax” shall be deemed to be references to “Commissioner of central tax”;
 - (vi) 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”;
 - (vii) references to “State tax or Union territory tax” shall be deemed to be references to “central tax”.

22. Power to make rules.

- (1) The Central Government may, on the recommendations of the Council, by notification, make rules for carrying out the provisions of this Act.
- (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.

23. General power to make regulations.

The Board may, by notification, make regulations consistent with this Act and the rules made thereunder to carry out the purposes of this Act.

24. Laying of rules, regulations and notifications.

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.

25. Power to issue instructions or directions

The Commissioner 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 Union territory tax officers as he 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.

26. Removal of difficulties.

- (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:

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.

* Received Presidential Assent on April 12,2017

THE GOODS AND SERVICES TAX (COMPENSATION TO STATES) ACT, 2017*

No. 15 of 2017

AN

ACT

to provide for compensation to the States for the loss of revenue arising on account of implementation of the goods and services tax in pursuance of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. Short title, extent and commencement.

- (1) This Act may be called the Goods and Services Tax (Compensation to States) Act, 2017.
- (2) It extends to the whole of India.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions.

- (1) In this Act, unless the context otherwise requires,—
 - (a) “central tax” means the central goods and services tax levied and collected under the Central Goods and Services Tax Act;
 - (b) “Central Goods and Services Tax Act” means the Central Goods and Services Tax Act, 2017;
 - (c) “cess” means the goods and services tax compensation cess levied under section 8;
 - (d) “compensation” means an amount, in the form of goods and services tax compensation, as determined under section 7;
 - (e) “Council” means the Goods and Services Tax Council constituted under the provisions of article 279A of the Constitution;
 - (f) “Fund” means the Goods and Services Tax Compensation Fund referred to in section 10;
 - (g) “input tax” in relation to a taxable person, means,—
 - (i) cess charged on any supply of goods or services or both made to him;

- (ii) cess charged on import of goods and includes the cess payable on reverse charge basis;
 - (h) “Integrated Goods and Services Tax Act” means the Integrated Goods and Services Tax Act, 2017;
 - (i) “integrated tax” means the integrated goods and services tax levied and collected under the Integrated Goods and Services Tax Act;
 - (j) “prescribed” means prescribed by rules made, on the recommendations of the Council, under this Act;
 - (k) “projected growth rate” means the rate of growth projected for the transition period as per section 3;
 - (l) “Schedule” means the Schedule appended to this Act;
 - (m) “State” means,—
 - (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
 - (ii) for the purposes of sections 8, 9, 10, 11, 12, 13 and 14 the States as defined under the Central Goods and Services Tax Act and the Union territories as defined under the Union Territories Goods and Services Tax Act;
 - (n) “State tax” means the State goods and services tax levied and collected under the respective State Goods and Services Tax Act;
 - (o) “State Goods and Services Tax Act” means the law to be made by the State Legislature for levy and collection of tax by the concerned State on supply of goods or services or both;
 - (p) “taxable supply” means a supply of goods or services or both which is chargeable to the cess under this Act;
 - (q) “transition date” shall mean, in respect of any State, the date on which the State Goods and Services Tax Act of the concerned State comes into force;
 - (r) “transition period” means a period of five years from the transition date; and
 - (s) “Union Territories Goods and Services Tax Act” means the Union Territories Goods and Services Tax Act, 2017.
- (2) The words and expressions used and not defined in this Act but defined in the Central Goods and Services Tax Act and the Integrated Goods and Services Tax Act shall have the meanings respectively assigned to them in those Acts.

3. Projected growth rate.

The projected nominal growth rate of revenue subsumed for a State during the transition period shall be fourteen per cent. per annum.

4. Base year.

For the purpose of calculating the compensation amount payable in any financial year during the transition period, the financial year ending 31st March, 2016, shall be taken as the base year.

5. Base year revenue.

- (1) Subject to the provision of sub-sections (2), (3), (4), (5) and (6), the base year revenue for a State shall be the sum of the revenue collected by the State and the local bodies during the base year, on account of the taxes levied by the respective State or Union and net of refunds, with respect to the following taxes, imposed by the respective State or Union, which are subsumed into goods and services tax, namely:--
- (a) the value added tax, sales tax, purchase tax, tax collected on works contract, or any other tax levied by the concerned State under the erstwhile entry 54 of List-II (State List) of the Seventh Schedule to the Constitution;
 - (b) the central sales tax levied under the Central Sales Tax Act, 1956;
 - (c) the entry tax, octroi, local body tax or any other tax levied by the concerned State under the erstwhile entry 52 of List-II (State List) of the Seventh Schedule to the Constitution;
 - (d) the taxes on luxuries, including taxes on entertainments, amusements, betting and gambling or any other tax levied by the concerned State under the erstwhile entry 62 of List-II (State List) of the Seventh Schedule to the Constitution;
 - (e) the taxes on advertisement or any other tax levied by the concerned State under the erstwhile entry 55 of List-II (State List) of the Seventh Schedule to the Constitution;
 - (f) the duties of excise on medicinal and toilet preparations levied by the Union but collected and retained by the concerned State Government under the erstwhile article 268 of the Constitution;
 - (g) any cess or surcharge or fee leviable under entry 66 read with entries 52, 54, 55 and 62 of List-II of the Seventh Schedule to the Constitution by the State Government under any Act notified under sub-section (4),

prior to the commencement of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016:

Provided that the revenue collected during the base year in a State, net of refunds, under the following taxes shall not be included in the calculation of the base year revenue for that State, namely:—

- (a) any taxes levied under any Act enacted under the erstwhile entry 54 of List-II (State List) of the Seventh Schedule to the Constitution, prior to the coming into force of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016, on the sale or purchase of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption;
 - (b) tax levied under the Central Sales Tax Act, 1956, on the sale or purchase of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption;
 - (c) any cess imposed by the State Government on the sale or purchase of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption; and
 - (d) the entertainment tax levied by the State but collected by local bodies, under any Act enacted under the erstwhile entry 62 of List-II (State List) of the Seventh Schedule to the Constitution, prior to coming into force of the provisions of the Constitution (One Hundred and First Amendment) Act, 2016.
- (2) In respect of the State of Jammu and Kashmir, the base year revenue shall include the amount of tax collected on sale of services by the said State Government during the base year.
 - (3) In respect of the States mentioned in sub-clause (g) of clause (4) of article 279A of the Constitution, the amount of revenue foregone on account of exemptions or remission given by the said State Governments to promote industrial investment in the State, with respect to such specific taxes referred to in sub-section (1), shall be included in the total base year revenue of the State, subject to such conditions as may be prescribed.
 - (4) The Acts of the Central Government and State Governments under which the specific taxes are being subsumed into the goods and services tax shall be such as may be notified.

- (5) The base year revenue shall be calculated as per sub-sections (1), (2), (3) and (4) on the basis of the figures of revenue collected and net of refunds given in that year, as audited by the Comptroller and Auditor-General of India.
- (6) In respect of any State, if any part of revenues mentioned in sub-sections (1), (2), (3) and (4) are not credited in the Consolidated Fund of the respective State, the same shall be included in the total base year revenue of the State, subject to such conditions as may be prescribed.

6. Projected revenue for any year.

The projected revenue for any year in a State shall be calculated by applying the projected growth rate over the base year revenue of that State.

Illustration—If the base year revenue for 2015-16 for a concerned State, calculated as per section 5 is one hundred rupees, then the projected revenue for financial year 2018-19 shall be as follows—

Projected Revenue for 2018-19-100 (1+14/100)³

7. Calculation and release of compensation.

- (1) The compensation under this Act shall be payable to any State during the transition period.
- (2) The compensation payable to a State shall be provisionally calculated and released at the end of every two months period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor-General of India:
- Provided that in case any excess amount has been released as compensation to a State in any financial year during the transition period, as per the audited figures of revenue collected, the excess amount so released shall be adjusted against the compensation amount payable to such State in the subsequent financial year.
- (3) The total compensation payable for any financial year during the transition period to any State shall be calculated in the following manner, namely:—
- (a) the projected revenue for any financial year during the transition period, which could have accrued to a State in the absence of the goods and services tax, shall be calculated as per section 6;
 - (b) the actual revenue collected by a State in any financial year during the transition period shall be—

- (i) the actual revenue from State tax collected by the State, net of refunds given by the said State under Chapters XI and XX of the State Goods and Services Tax Act;
 - (ii) the integrated goods and services tax apportioned to that State; and
 - (iii) 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;
 - (c) the total compensation payable in any financial year shall be the difference between the projected revenue for any financial year and the actual revenue collected by a State referred to in clause (b).
- (4) The loss of revenue at the end of every two months period in any year for a State during the transition period shall be calculated, at the end of the said period, in the following manner, namely:--
- (a) the projected revenue that could have been earned by the State in absence of the goods and services tax till the end of the relevant two months period of the respective financial year shall be calculated on a *pro-rata* basis as a percentage of the total projected revenue for any financial year during the transition period, calculated in accordance with section 6.
Illustration—If the projected revenue for any year calculated in accordance with section 6 is one hundred rupees, for calculating the projected revenue that could be earned till the end of the period of ten months for the purpose of this sub-section shall be $100 \times (5/6) = \text{Rs.}83.33.$;
 - (b) the actual revenue collected by a State till the end of relevant two months period in any financial year during the transition period shall be-
 - (i) the actual revenue from State tax collected by the State, net of refunds given by the State under Chapters XI and XX of the State Goods and Services Tax Act;
 - (ii) 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
 - (iii) any collection of taxes levied by the said State, under the Acts specified in sub-section (4) of section 5, net of refund of such taxes;

- (c) the provisional compensation payable to any State at the end of the relevant two month period in any financial year shall be the difference between the projected revenue till the end of the relevant period in accordance with clause (a) and the actual revenue collected by a State in the said period as referred to in clause (b), reduced by the provisional compensation paid to a State till the end of the previous two months period in the said financial year during the transition period.
- (5) In case of any difference between the final compensation amount payable to a State calculated in accordance with the provisions of sub-section (3) upon receipt of the audited revenue figures from the Comptroller and Auditor-General of India, and the total provisional compensation amount released to a State in the said financial year in accordance with the provisions of sub-section (4), the same shall be adjusted against release of compensation to the State in the subsequent financial year.
- (6) Where no compensation is due to be released in any financial year, and in case any excess amount has been released to a State in the previous year, this amount shall be refunded by the State to the Central Government and such amount shall be credited to the Fund in such manner as may be prescribed.

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 9 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 the 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 recommendations 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 10 of the Central Goods and Services Tax Act.
- (2) The cess shall be levied on such supplies of goods and services as are specified in column (2) of the Schedule, on the basis of value, quantity or on such basis at such rate not exceeding the rate set forth in the corresponding entry in column (4) of the Schedule, as the Central Government may, on

the recommendations of the Council, 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 supplies 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.

9. Returns, payments and refunds.

- (1) Every taxable person, making a taxable supply of goods or services or both, shall—
 - (a) pay the amount of cess as payable under this Act in such manner;
 - (b) furnish such returns in such forms, along with the returns to be filed under the Central Goods and Services Tax Act; and
 - (c) apply for refunds of such cess paid in such form, as may be prescribed.
- (2) For all purposes of furnishing of returns and claiming refunds, except for the form to be filed, the provisions of the Central Goods and Services Tax Act and the rules made thereunder, shall, as far as may be, apply in relation to the levy and collection of the cess leviable under section 8 on all taxable supplies of goods or services or both, as they apply in relation to the levy and collection of central tax on such supplies under the said Act or the rules made thereunder.

10. Crediting proceeds of cess to Fund.

- (1) The proceeds of the cess leviable under section 8 and such other 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 utilised for purposes specified in the said section.
- (2) All amounts payable to the States under section 7 shall be paid out of the Fund.
- (3) Fifty per cent. of the amount remaining unutilised in the Fund at the end of the transition period shall be transferred to the Consolidated Fund of India

as the share of Centre, and the balance fifty per cent. shall be distributed amongst the States in the ratio of their total revenues from the State tax or the Union territory goods and services tax, as the case may be, in the last year of the transition period.

- (4) The accounts relating to Fund shall be audited by the Comptroller and Auditor-General of India or any person appointed by him at such intervals as may be specified by him and any expenditure in connection with such audit shall be payable by the Central Government to the Comptroller and Auditor-General of India.
- (5) The accounts of the Fund, as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be laid before each House of Parliament.

11. Other provisions relating to cess.

- (1) The provisions of the Central Goods and Services Tax Act, and the rules made thereunder, including those relating to assessment, input tax credit, non-levy, short-levy, interest, appeals, offences and penalties, shall, as far as may be, *mutatis mutandis*, apply, in relation to the levy and collection of the cess leviable under section 8 on the intra-State supply of goods and services, as they apply in relation to the levy and collection of central tax on such intra-State supplies under the said Act or the rules made thereunder.
- (2) The provisions of the Integrated Goods and Services Tax Act, and the rules made thereunder, including those relating to assessment, input tax credit, non-levy, short-levy, interest, appeals, offences and penalties, shall, *mutatis mutandis*, apply in relation to the levy and collection of the cess leviable under section 8 on the inter State supply of goods and services, as they apply in relation to the levy and collection of integrated tax on such inter State supplies under the said Act or the rules made thereunder:

Provided that the input tax credit in respect of cess on supply of goods and services leviable under section 8, shall be utilised only towards payment of said cess on supply of goods and services leviable under the said section.

12. Power to make rules.

- (1) The Central Government shall, on the recommendations of the Council, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.
- (2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the conditions which were included in the total base year revenue of the States, referred to in sub-clause (g) of clause (4) of article 279A of the Constitution, under sub-section (3) of section 5;
- (b) the conditions subject to which any part of revenues not credited in the Consolidated Fund of the respective State shall be included in the total base year revenue of the State, under sub-section (6) of section 5;
- (c) the manner of refund of compensation by the States to the Central Government under sub-section (6) of section 7;
- (d) the manner of levy and collection of cess and the period of its imposition under sub-section (1) of section 8;
- (e) the manner and forms for payment of cess, furnishing of returns and refund of cess under sub-section (1) of section 9; and
- (f) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

13. Laying of rules before Parliament.

Every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, 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 successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule 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.

14. Power to remove difficulties.

- (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, on the recommendations of the Council, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Provided that no order shall be made under this section after the expiry of three years from the commencement of this Act.

- (2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

THE SCHEDULE

[See section 8 (2)]

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 (51 of 1975).
2. The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (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.

S. No.	Description of supply of goods or services	Tariff item, heading, sub-heading, Chapter, or supply of goods or services, as the case may be	The maximum rate at which goods and services tax compensation cess may be collected
(1)	(2)	(3)	(4)
1.	Pan Masala.	2106 90 20	One hundred and thirty-five per cent. <i>ad valorem</i> .
2.	Tobacco and manufactured tobacco substitutes, including tobacco products.	24	Four thousand one hundred and seventy rupees per thousand sticks or two hundred and ninety per cent. <i>ad valorem</i> or a combination thereof, but not exceeding four thousand one hundred and seventy rupees per thousand sticks plus two hundred and ninety per cent. <i>ad valorem</i> .

S. No.	Description of supply of goods or services	Tariff item, heading, sub-heading, Chapter, or supply of goods or services, as the case may be	The maximum rate at which goods and services tax compensation cess may be collected
(1)	(2)	(3)	(4)
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	Four hundred rupees per tonne.
4.	Aerated waters.	2202 10 10	Fifteen per cent. <i>ad valorem</i> .
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	Fifteen per cent. <i>ad valorem</i> .
6.	Any other supplies.		Fifteen per cent. <i>ad valorem</i> .

THE CENTRAL GOODS AND SERVICES TAX (AMENDMENT) ACT, 2018

[29th August, 2018]

An Act further to amend the Central Goods and Services Tax Act, 2017. Be it enacted by Parliament in the Sixty-ninth Year of the Republic of India as follows:—

1. Short title and commencement.

- (1) This Act may be called the Central Goods and Services Tax (Amendment) Act, 2018.
- (2) Save as otherwise provided, the provisions of this Act 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. Amendment of section 2.

In section 2 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act),--

- (a) in clause (4),--
 - (i) for the words “Central Board of Excise and Customs”, the words “Central Board of Indirect Taxes and Customs” shall be substituted;
 - (ii) for the words “the Appellate Authority and the Appellate Tribunal”, the words, brackets and figures “the Appellate Authority, the Appellate Tribunal and the Authority referred to in sub-section (2) of section 171” shall be substituted;
- (b) in clause (17), for sub-clause (h), the following sub-clause shall be substituted, namely:—

“(h) activities of a race club including by way of totalisator or a license to .
book maker or activities of a licensed book maker in such club;
and”;
- (c) clause (18) shall be omitted;
- (d) in clause (35), for the word, brackets and letter “clause (c)”, the word, brackets and letter “clause (b)” shall be substituted;

- (e) in clause (69), in sub-clause (f), after the word and figures “article 371”, the words, figures and letter “and article 371]” shall be inserted;
- (f) in clause (102), the following Explanation shall be inserted, namely:--

‘Explanation.--For the removal of doubts, it is hereby clarified that the expression “services” includes facilitating or arranging transactions in securities;’

3.Amendment of section 7.

In section 7 of the principal Act, with effect from the 1st day of July, 2017,--

- (a) in sub-section (1), --
 - (i) in clause (b), after the words “or furtherance of business;”, the word “and” shall be inserted and shall always be deemed to have been inserted;
 - (ii) in clause (c), after the words “a consideration”, the word “and” shall be omitted and shall always be deemed to have been omitted;
 - (iii) clause (d) shall be omitted and shall always be deemed to have been omitted;
- (b) after sub-section (1), the following sub-section shall be inserted and shall always be deemed to have been inserted, namely:--

“(1A) where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.”;
- (c) in sub-section (3), for the words, brackets and figures “sub-sections (1) and (2)”, the words, brackets, figures and letter “sub-sections (1), (1A) and (2)” shall be substituted.

4.Amendment of section 9.

In section 9 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:--

- “(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of 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 such supply of goods or services or both.”.

5. Amendment of section 10.

In section 10 of the principal Act,—

- (a) in sub-section (1) —
 - (i) for the words “in lieu of the tax payable by him, an amount calculated at such rate”, the words, brackets and figures “in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate” shall be substituted;
 - (ii) in the proviso, for the words “one crore rupees”, the words “one crore and fifty lakh rupees” shall be substituted;
 - (iii) after the proviso, the following proviso shall be inserted, namely:--
“Provided further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), of value not exceeding ten per cent. of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.”;
- (b) in sub-section (2), for clause (a), the following clause shall be substituted, namely:--
 - “(a) save as provided in sub-section (1), he is not engaged in the supply of services;”.

6. Amendment of section 12.

In section 12 of the principal Act, in sub-section (2), in clause (a), the words, brackets and figure “sub-section (1) of” shall be omitted.

7. Amendment of section 13.

In section 13 of the principal Act, in sub-section (2), the words, brackets and figure “sub-section (2) of” occurring at both the places, shall be omitted.

8. Amendmen of section 16.

In section 16 of the principal Act, in sub-section (2),--

- (a) in clause (b), for the Explanation, the following Explanation shall be substituted, namely:—
“Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services--
 - (i) 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;

- (ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person.”;
- (b) in clause (c), for the word and figures “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted.

9. Amendment of section 17.

In section 17 of the principal Act,—

- (a) in sub-section (3), the following Explanation shall be inserted, namely:--

‘Explanation.—For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.’;
- (b) in sub-section (5), for clauses (a) and (b), the following clauses shall be substituted, namely:—
 - “(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—
 - (A) further supply of such motor vehicles; or
 - (B) transportation of passengers; or
 - (C) imparting training on driving such motor vehicles;
 - (aa) vessels and aircraft except when they are used--
 - (i) for making the following taxable supplies, namely:—
 - (A) further supply of such vessels or aircraft; or
 - (B) transportation of passengers; or
 - (C) imparting training on navigating such vessels; or
 - (D) imparting training on flying such aircraft; (ii) for transportation of goods;
 - (ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):

Provided that the input tax credit in respect of such services shall be available—

- (i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;
- (ii) where received by a taxable person engaged—
 - (I) in the manufacture of such motor vehicles, vessels or aircraft; or
 - (II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;
- (b) the following supply of goods or services or both—
 - (i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:
 Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both 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; and
 - (iii) travel benefits extended to employees on vacation such as leave or home travel concession:
 Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.”

10. Amendmen of section 20.

In section 20 of the principal Act, in the Explanation, in clause (c), for the words and figures “under entry 84,” the words, figures and letter “under entries 84 and 92A” shall be substituted.

11. Amendment of section 22.

In section 22 of the principal Act,—

- (a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—
 “Provided further that the Government may, at the request of a special category State and on the recommendations of the Council, enhance the

aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified.”;

- (b) in the Explanation, in clause (iii), after the words “State of Jammu and Kashmir”, the words “and States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand” shall be inserted.”.

12. Amendment of section 24.

In section 24 of the principal Act, in clause (x), after the words “commerce operator”, the words and figures “who is required to collect tax at source under section 52” shall be inserted.

13. In section 25 of the principal Act,—

- (a) in sub-section (1), after the proviso and before the Explanation, the following proviso shall be inserted, namely:--
“Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the same State or Union territory.”;
- (b) in sub-section (2), for the proviso, the following proviso shall be substituted, namely:--
“Provided that a person having multiple places of business in a State or Union territory may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed.”.

14. Amendment of section 29

In section 29 of the principal Act,—

- (a) in the marginal heading after the word “Cancellation”, the words “or suspension” shall be inserted;
- (b) in sub-section (1), after clause (c), the following proviso shall be inserted, namely:—
“Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.”;
- (c) in sub-section (2), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.”

15. Amendment of section 34.

In section 34 of the principal Act,—

- (a) in sub-section (1),—
 - (i) for the words “Where a tax invoice has”, the words “Where one or more tax invoices have” shall be substituted;
 - (ii) for the words “a credit note”, the words “one or more credit notes for supplies made in a financial year” shall be substituted;
- (b) in sub-section (3),—
 - (i) for the words “Where a tax invoice has”, the words “Where one or more tax invoices have” shall be substituted;
 - (ii) for the words “a debit note”, the words “one or more debit notes for supplies made in a financial year” shall be substituted.

16. Amendment of section 35.

In section 35 of the principal Act, in sub-section (5), the following proviso shall be inserted, namely:—

“Provided that nothing contained in this sub-section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.”

17. Amendment of section 39.

In section 39 of the principal Act,—

- (a) in sub-section (1),—
 - (i) for the words “in such form and manner as may be prescribed”, the words “in such form, manner and within such time as may be prescribed” shall be substituted;
 - (ii) the words “on or before the twentieth day of the month succeeding such calendar month or part thereof” shall be omitted;
 - (iii) the following proviso shall be inserted, namely:—

“Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall furnish

return for every quarter or part thereof, subject to such conditions and safeguards as may be specified therein.”;

- (b) in sub-section (7), the following proviso shall be inserted, namely:--
“Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall pay to the Government the tax due or part thereof as per the return on or before the last date on which he is required to furnish such return, subject to such conditions and safeguards as may be specified therein.”;
- (c) in sub-section (9),--
- (i) for the words “in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed”, the words “in such form and manner as may be prescribed” shall be substituted;
 - (ii) in the proviso, for the words “the end of the financial year”, the words “the end of the financial year to which such details pertain” shall be substituted.

18. Insertion of new section 43A.

Procedure for furnishing return and availing input tax credit.

After section 43 of the principal Act, the following section shall be inserted, namely:—

- “43A. (1) Notwithstanding anything contained in sub-section (2) of section 16, section 37 or section 38, every registered person shall in the returns furnished under sub-section (1) of section 39 verify, validate, modify or delete the details of supplies furnished by the suppliers.
- (2) Notwithstanding anything contained in section 41, section 42 or section 43, the procedure for availing of input tax credit by the recipient and verification thereof shall be such as may be prescribed.
 - (3) The procedure for furnishing the details of outward supplies by the supplier on the common portal, for the purposes of availing input tax credit by the recipient shall be such as may be prescribed.
 - (4) The procedure for availing input tax credit in respect of outward supplies not furnished under sub-section (3) shall be such as may be prescribed and such procedure may include the maximum amount of the input tax credit which can be so availed, not exceeding twenty per cent. of the input tax credit available, on the basis of details furnished by the suppliers under the said sub-section.

- (5) The amount of tax specified in the outward supplies for which the details have been furnished by the supplier under sub-section (3) shall be deemed to be the tax payable by him under the provisions of the Act.
- (6) The supplier and the recipient of a supply shall be jointly and severally liable to pay tax or to pay the input tax credit availed, as the case may be, in relation to outward supplies for which the details have been furnished under sub-section (3) or sub-section (4) but return thereof has not been furnished.
- (7) For the purposes of sub-section (6), the recovery shall be made in such manner as may be prescribed and such procedure may provide for non-recovery of an amount of tax or input tax credit wrongly availed not exceeding one thousand rupees.
- (8) The procedure, safeguards and threshold of the tax amount in relation to outward supplies, the details of which can be furnished under sub-section (3) by a registered person,—
 - (i) within six months of taking registration;
 - (ii) who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount,

shall be such as may be prescribed.”.

19. Amendment of section 48.

In section 48 of the principal Act, in sub-section (2), after the word and figures “section 45”, the words “and to perform such other functions” shall be inserted.

20. Amendment of section 49.

In section 49 of the principal Act,—

- (a) in sub-section (2), for the word and figures “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted;
- (b) in sub-section (5),—
 - (i) in clause (c), the following proviso shall be inserted, namely:--

“Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”;
 - (ii) in clause (d), the following proviso shall be inserted, namely:--

“Provided that the input tax credit on account of Union territory tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”.

21. Insertion of new sections 49A and 49B.

After section 49 of the principal Act, the following sections shall be inserted, namely:--

“49A. Utilisation of input tax credit subject to certain conditions.

Notwithstanding anything contained in section 49, the input tax credit on account of central tax, State tax or Union territory tax shall be utilised towards payment of integrated tax, central tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.

49B. Order of utilisation of input tax credit.

Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of sub-section (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilisation of the input tax credit on account of integrated tax, central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.”.

22. Amendment of section 52.

In section 52 of the principal Act, in sub-section (9), for the word and figures “section 37”, the words and figures “section 37 or section 39” shall be substituted.

23. Amendment of section 54.

In section 54 of the principal Act,—

- (a) in sub-section (8), in clause (a), for the words “zero-rated supplies”, the words “export” and “exports” shall respectively be substituted;
- (b) in the Explanation, in clause (2),--
 - (i) in sub-clause (c), in item (i), after the words “foreign exchange”, the words “or in Indian rupees wherever permitted by the Reserve Bank of India” shall be inserted;
 - (ii) for sub-clause (e), the following sub-clause shall be substituted, namely:--

“(e) in the case of refund of unutilised input tax credit under clause (ii) of the first proviso to sub-section (3), the due date for furnishing of return under section 39 for the period in which such claim for refund arises;”.

24. Amendment of section 79.

In section 79 of the principal Act, after sub-section (4), the following Explanation shall be inserted, namely:—

‘Explanation.--For the purposes of this section, the word person shall include “distinct persons” as referred to in sub-section (4) or, as the case may be, sub-section (5) of section 25.’

25. Amendment of section 107.

In section 107 of the principal Act, in sub-section (6), in clause (b), after the words “arising from the said order,” the words “subject to a maximum of twenty-five crore rupees,” shall be inserted.

26. Amendment of section 112.

In section 112 of the principal Act, in sub-section (8), in clause (b), after the words “arising from the said order,” the words “subject to a maximum of fifty crore rupees,” shall be inserted.

27. Amendment of section 129.

In section 129 of the principal Act, in sub-section (6), for the words “seven days”, the words “fourteen days” shall be substituted.

28. Amendment of section 140.

In section 140 of the principal Act, with effect from the 1st day of July, 2017,—

- (a) in sub-section (1), after the letters and word “CENVAT credit”, the words “of eligible duties” shall be inserted and shall always be deemed to have been inserted;
- (b) in the Explanation 1—
 - (i) for the word, brackets and figures “sub-sections (3), (4)”, the word, brackets and figures “sub-sections (1), (3), (4)” shall be substituted and shall always be deemed to have been substituted;
 - (ii) clause (iv) shall be omitted and shall always be deemed to have been omitted;
- (c) in the Explanation 2—

- (i) for the word, brackets and figure “sub-section (5)”, the words, brackets and figures “sub-sections (1) and (5)” shall be substituted and shall always be deemed to have been substituted;
 - (ii) clause (iv) shall be omitted and shall always be deemed to have been omitted;
- (d) after Explanation 2 as so amended, the following Explanation shall be inserted and shall always be deemed to have been inserted, namely:—
- ‘Explanation 3.—For removal of doubts, it is hereby clarified that the expression “eligible duties and taxes” excludes any cess which has not been specified in Explanation 1 or Explanation 2 and any cess which is collected as additional duty of customs under sub-section (1) of section 3 of the Customs Tariff Act, 1975.’

29. Amendment of section 143.

In section 143 of the principal Act, in sub-section (1), in clause (b), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the period of one year and three years may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding one year and two years respectively.”

30. Amendment of Schedule I.

In Schedule I of the principal Act, in paragraph 4, for the words “taxable person”, the word “person” shall be substituted.

31. Amendment of Schedule II.

In Schedule II of the principal Act, in the heading, after the word “ACTIVITIES”, the words “OR TRANSACTIONS” shall be inserted and shall always be deemed to have been inserted with effect from the 1st day of July, 2017.

32. Amendment of Schedule III.

In Schedule III of the principal Act, —

- (i) after paragraph 6, the following paragraphs shall be inserted, namely:—
 - “7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.
 - 8. (a) Supply of warehoused goods to any person before clearance for home consumption;
 - (b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have

been dispatched from the port of origin located outside India but before clearance for home consumption.”;

- (ii) the Explanation shall be numbered as Explanation 1 and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely:—
‘Explanation 2.—For the purposes of paragraph 8, the expression “warehoused goods” shall have the same meaning as assigned to it in the Customs Act, 1962.’

THE INTEGRATED GOODS AND SERVICES TAX (AMENDMENT) ACT, 2018

[29th August, 2018.]

An Act further to amend the Integrated Goods and Services Tax Act, 2017.

BE it enacted by Parliament in the Sixty-ninth Year of the Republic of India as follows:--

1. Short title and commencement.

- (1) This Act may be called the Integrated Goods and Services Tax (Amendment) S Act, 2018.
- (2) 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. Amendment 13 of 2017. of section 2.

In section 2 of the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act),--

- (i) in clause (6), in sub-clause (iv), after the words “foreign exchange”, the words “or in Indian rupees wherever permitted by the Reserve Bank of India” shall be inserted;
- (ii) in clause (16), in the *Explanation*, in the long line, after the words “function entrusted”, the words, figures and letter “to a Panchayat under article 243G or” shall be inserted.

3. Amendment of section 5.

In section 5 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:--

“(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of 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 such supply of goods or services or both.”

4. Amendment of section 8

In section 8 of the principal Act, in sub-section (2), in *Explanation 1*, in clause (iii), the words, “being a business vertical” shall be omitted.

5. Amendment of section 12.

In section 12 of the principal Act, in sub-section (8), the following proviso shall be inserted, namely:--

“Provided that where the transportation of goods is to a place outside India, the place of supply shall be the place of destination of such goods.”

6. Amendment of section 13.

In section 13 of the principal Act, in sub-section (3), in clause (a), for the second proviso, the following proviso shall be substituted, namely:--

“Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs or for any other treatment or process and are exported after such repairs or treatment or process without being put to any use in India, other than that which is required for such repairs or treatment or process;”

7. Amendment of section 17.

In section 17 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:--

“(2A). The amount not apportioned under sub-section (1) and sub-section (2) may, for the time being, on the recommendations of the Council, be apportioned at the rate of fifty per cent. to the Central Government and fifty per cent. to the State Governments or the Union territories, as the case may be, on *ad hoc* basis and shall be adjusted against the amount apportioned under the said sub-sections.”

8. Amendment of section 20.

In section 20 of the principal Act, after the fourth proviso, the following proviso shall be inserted, namely:--

“Provided also that where the appeal is to be filed before the Appellate Authority or the Appellate Tribunal, the maximum amount payable shall be fifty crore rupees and one hundred crore rupees respectively.”

THE GOODS AND SERVICES TAX (COMPENSATION TO STATES) AMENDMENT ACT, 2018

[29th August, 2018.]

BE it enacted by Parliament in the Sixty-ninth Year of the Republic of India as follows:—

1. Short title and commencement.

- (1) This Act may be called the Goods and Services Tax (Compensation to States) Amendment Act, 2018.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 7.

In section 7 of the Goods and Services Tax (Compensation to States) Act, 2017 (hereinafter referred to as the principal Act), in sub-section (4), in clause (b), in sub-clause (ii), for the words “Central Board of Excise and Customs”, the words “Central Board of Indirect Taxes and Customs” shall be substituted.

3. Amendment of section 10.

In section 10 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) Notwithstanding anything contained in sub-section (3), fifty per cent. of such amount, as may be recommended by the Council, which remains unutilised in the Fund, at any point of time in any financial year during the transition period shall be transferred to the Consolidated Fund of India as the share of Centre, and the balance fifty per cent. shall be distributed amongst the States in the ratio of their base year revenue determined in accordance with the provisions of section 5:

Provided that in case of shortfall in the amount collected in the Fund against the requirement of compensation to be released under section 7 for any two months’ period, fifty per cent. of the same, but not exceeding the total amount transferred to the Centre and the States as recommended by the Council, shall be recovered from the Centre and the balance fifty per cent. from the States in the ratio of their base year revenue determined in accordance with the provisions of section 5.”

CHAPTER 33

The Constitution (One Hundred and First Amendment) Act, 2016

MINISTRY OF LAW AND JUSTICE (Legislative Department)

New Delhi, the 8th September, 2016/Bhadra 17, 1938 (Saka)

The following Act of Parliament received the assent of the President on the 8th September, 2016, and is hereby published for general information:—

THE CONSTITUTION (ONE HUNDRED AND FIRST AMENDMENT) ACT, 2016

[8th September, 2016.]

An Act further to amend the Constitution of India. BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. Short title and commencement.

- (1) This Act may be called the Constitution (One Hundred and First Amendment) Act, 2016.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and 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 commencement of that provision.

2. Insertion of new article 246A.

After article 246 of the Constitution, the following article shall be inserted, namely:—

Special provision with respect to goods and services tax.

“246A. (1) Notwithstanding anything contained in articles 246 and 254, Parliament, and, subject to clause (2), the Legislature of every State, have power to make laws with respect to goods and services tax imposed by the Union or by such State.

(2) Parliament has exclusive power to make laws with respect to goods and services tax where the supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.

Explanation.—The provisions of this article, shall, in respect of goods and services tax referred to in clause (5) of article 279A, take effect from the date recommended by the Goods and Services Tax Council.”

3. Amendment of article 248.

In article 248 of the Constitution, in clause (1), for the word “Parliament”, the words, figures and letter “Subject to article 246A, Parliament” shall be substituted.

4. Amendment of article 249.

In article 249 of the Constitution, in clause (1), after the words “with respect to”, the words, figures and letter “goods and services tax provided under article 246A or” shall be inserted.

5. Amendment of article 250.

In article 250 of the Constitution, in clause (1), after the words “with respect to”, the words, figures and letter “goods and services tax provided under article 246A or” shall be inserted.

6. Amendment of article 268.

In article 268 of the Constitution, in clause (1), the words “and such duties of excise on medicinal and toilet preparations” shall be omitted.

7. Omission of article 268A.

Article 268A of the Constitution, as inserted by section 2 of the Constitution (Eighty-eighth Amendment) Act, 2003 shall be omitted.

8. Amendment of article 269.

In article 269 of the Constitution, in clause (1), after the words “consignment of goods”, the words, figures and letter “except as provided in article 269A” shall be inserted.

9. Insertion of new article 269A.

After article 269 of the Constitution, the following article shall be inserted, namely:—

Levy and collection of goods and services tax in course of inter-State trade or commerce.

“269A. (1) Goods and services tax on supplies in the course of inter-State trade or commerce shall be levied and collected by the Government of India and such tax shall be apportioned between the Union and the States in the manner as may be provided by Parliament by law on the recommendations of the Goods and Services Tax Council.

Explanation.—For the purposes of this clause, supply of goods, or of services, or both in the course of import into the territory of India shall be deemed to be supply of goods, or of services, or both in the course of inter-State trade or commerce.

- (2) The amount apportioned to a State under clause (1) shall not form part of the Consolidated Fund of India.
- (3) Where an amount collected as tax levied under clause (1) has been used for payment of the tax levied by a State under article 246A, such amount shall not form part of the Consolidated Fund of India.
- (4) Where an amount collected as tax levied by a State under article 246A has been used for payment of the tax levied under clause (1), such amount shall not form part of the Consolidated Fund of the State.
- (5) Parliament may, by law, formulate the principles for determining the place of supply, and when a supply of goods, or of services, or both takes place in the course of inter-State trade or commerce.”

10. Amendment of article 270.

In article 270 of the Constitution,—

- (i) in clause (1), for the words, figures and letter “articles 268, 268A and 269”, the words, figures and letter “articles 268, 269 and 269A” shall be substituted;
- (ii) after clause (1), the following clauses shall be inserted, namely:—

“(1A) The tax collected by the Union under clause (1) of article 246A shall also be distributed between the Union and the States in the manner provided in clause (2).

(1B) The tax levied and collected by the Union under clause (2) of article 246A and article 269A, which has been used for payment of the tax levied by the Union under clause (1) of article 246A, and the amount apportioned to the Union under clause (1) of article 269A, shall also be distributed between the Union and the States in the manner provided in clause (2).”.

11. Amendment of article 271.

In article 271 of the Constitution, after the words “in those articles”, the words, figures and letter “except the goods and services tax under article 246A,” shall be inserted.

12. Insertion of new article 279A.

After article 279 of the Constitution, the following article shall be inserted, namely:—

Goods and Services Tax Council.

“279A. (1) The President shall, within sixty days from the date of commencement of the Constitution (One Hundred and First Amendment) Act, 2016, by order, constitute a Council to be called the Goods and Services Tax Council.

(2) The Goods and Services Tax Council shall consist of the following members, namely:—

- (a) the Union Finance Minister Chairperson;
- (b) the Union Minister of State in charge of Revenue or Finance Member;
- (c) the Minister in charge of Finance or Taxation or any other Minister nominated by each State Government Members.

(3) The Members of the Goods and Services Tax Council referred to in sub-clause (c) of clause (2) shall, as soon as may be, choose one amongst themselves to be the Vice-Chairperson of the Council for such period as they may decide.

(4) The Goods and Services Tax Council shall make recommendations to the Union and the States on—

- (a) the taxes, cesses and surcharges levied by the Union, the States and the local bodies which may be subsumed in the goods and services tax;
 - (b) the goods and services that may be subjected to, or exempted from the goods and services tax;
 - (c) model Goods and Services Tax Laws, principles of levy, apportionment of Goods and Services Tax levied on supplies in the course of inter-State trade or commerce under article 269A and the principles that govern the place of supply;
 - (d) the threshold limit of turnover below which goods and services may be exempted from goods and services tax;
 - (e) the rates including floor rates with bands of goods and services tax;
 - (f) any special rate or rates for a specified period, to raise additional resources during any natural calamity or disaster;
 - (g) special provision with respect to the States of Arunachal Pradesh, Assam, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand; and
 - (h) any other matter relating to the goods and services tax, as the Council may decide.
- (5) The Goods and Services Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel.
- (6) While discharging the functions conferred by this article, the Goods and Services Tax Council shall be guided by the need for a harmonised structure of goods and services tax and for the development of a harmonised national market for goods and services.
- (7) One-half of the total number of Members of the Goods and Services Tax Council shall constitute the quorum at its meetings.
- (8) The Goods and Services Tax Council shall determine the procedure in the performance of its functions.
- (9) Every decision of the Goods and Services Tax Council shall be taken at a meeting, by a majority of not less than three-fourths of the weighted votes of the members present and voting, in accordance with the following principles, namely:—
- (a) the vote of the Central Government shall have a weightage of one-third of the total votes cast, and

- (b) the votes of all the State Governments taken together shall have a weightage of two-thirds of the total votes cast, in that meeting.
- (10) No act or proceedings of the Goods and Services Tax Council shall be invalid merely by reason of—
 - (a) any vacancy in, or any defect in, the constitution of the Council; or
 - (b) any defect in the appointment of a person as a Member of the Council; or
 - (c) any procedural irregularity of the Council not affecting the merits of the case.
- (11) The Goods and Services Tax Council shall establish a mechanism to adjudicate any dispute —
 - (a) between the Government of India and one or more States; or
 - (b) between the Government of India and any State or States on one side and one or more other States on the other side; or
 - (c) between two or more States, arising out of the recommendations of the Council or implementation thereof.”

13. Amendment of article 286.

In article 286 of the Constitution,— (i) in clause (1),—

- (A) for the words “the sale or purchase of goods where such sale or purchase takes place”, the words “the supply of goods or of services or both, where such supply takes place” shall be substituted;
- (B) in sub-clause (b), for the word “goods”, at both the places where it occurs, the words “goods or services or both” shall be substituted;
 - (ii) in clause (2), for the words “sale or purchase of goods takes place”, the words “supply of goods or of services or both” shall be substituted;
 - (iii) clause (3) shall be omitted.

14 Amendment of article 366.

In article 366 of the Constitution,—

- (i) after clause (12), the following clause shall be inserted, namely:—
‘(12A) “goods and services tax” means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption;’;

- (ii) after clause (26), the following clauses shall be inserted, namely:—
(26A) “Services” means anything other than goods;
(26B) “State” with reference to articles 246A, 268, 269, 269A and article 279A includes a Union territory with Legislature;’

15. Amendment of article 368.

In article 368 of the Constitution, in clause (2), in the proviso, in clause (a), for the words and figures “article 162 or article 241”, the words, figures and letter “article 162, article 241 or article 279A” shall be substituted.

16. Amendment of Sixth Schedule.

In the Sixth Schedule to the Constitution, in paragraph 8, in sub-paragraph (3),—

- (i) in clause (c), the word “and” occurring at the end shall be omitted;
(ii) in clause (d), the word “and” shall be inserted at the end;
(iii) after clause (d), the following clause shall be inserted, namely:—
“(e) taxes on entertainment and amusements.”.

17. Amendment of Seventh Schedule.

In the Seventh Schedule to the Constitution,—

- (a) in List I — Union List,—
(i) for entry 84, the following entry shall be substituted, namely:—
“84. Duties of excise on the following goods manufactured or produced in India, namely:—
(a) petroleum crude;
(b) high speed diesel;
(c) motor spirit (commonly known as petrol);
(d) natural gas;
(e) aviation turbine fuel; and
(f) tobacco and tobacco products.”;
(ii) entries 92 and 92C shall be omitted;
- (b) in List II—State List,—
(i) entry 52 shall be omitted;
(ii) for entry 54, the following entry shall be substituted, namely:—
“54. Taxes on the sale of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas, aviation turbine fuel and alcoholic liquor for human consumption, but not including sale

in the course of inter-State trade or commerce or sale in the course of international trade or commerce of such goods.”;

(iii) entry 55 shall be omitted;

(iv) for entry 62, the following entry shall be substituted, namely:—

“62. Taxes on entertainments and amusements to the extent levied and collected by a Panchayat or a Municipality or a Regional Council or a District Council.”.

18. Compensation to States for loss of revenue on account of introduction of goods and services tax.

Parliament shall, by law, on the recommendation of the Goods and Services Tax Council, provide for compensation to the States for loss of revenue arising on account of implementation of the goods and services tax for a period of five years.

19. Transitional provisions.

Notwithstanding anything in this Act, any provision of any law relating to tax on goods or services or on both in force in any State immediately before the commencement of this Act, which is inconsistent with the provisions of the Constitution as amended by this Act shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until expiration of one year from such commencement, whichever is earlier.

20. Power of President to remove difficulties.

(1) If any difficulty arises in giving effect to the provisions of the Constitution as amended by this Act (including any difficulty in relation to the transition from the provisions of the Constitution as they stood immediately before the date of assent of the President to this Act to the provisions of the Constitution as amended by this Act), the President may, by order, make such provisions, including any adaptation or modification of any provision of the Constitution as amended by this Act or law, as appear to the President to be necessary or expedient for the purpose of removing the difficulty:

Provided that no such order shall be made after the expiry of three years from the date of such assent.

(2) Every order made under sub-section (1) shall, as soon as may be after it is made, be laid before each House of Parliament.

DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.

CHAPTER 34

Tweet FAQs

The tweets received by askGST_GoI handle were scrutinized and developed into a short FAQ of 215 tweets.

S. No.	Questions / Tweets Received	Replies
Registration		
1.	Does aggregate turnover include value of inward supplies received on which RCM is payable?	Refer Section 2(6) of CGST Act. Aggregate turnover does not include value of inward supplies on which tax is payable on reverse charge basis.
2.	What if the dealer migrated with wrong PAN as the status of firm was changed from proprietorship to partnership?	New registration would be required as partnership firm would have new PAN.
3.	A taxable person's business is in many states. All supplies are below 10 Lakhs. He makes an Inter State supply from one state. Is he liable for registration?	He is liable to register if the aggregate turnover (all India) is more than 20 lacs or if he is engaged in inter-State supplies.
4.	Can we use provisional GSTIN or do we get new GSTIN? Can we start using provisional GSTIN till new one is issued?	Provisional GSTIN (PID) should be converted into final GSTIN within 90 days. Yes, provisional GSTIN can be used till final GSTIN is issued. PID & final GSTIN would be same.

S. No.	Questions / Tweets Received	Replies
5.	Whether trader of country liquor is required to migrate to GST from VAT as liquor is out of GST law?	If the person is involved in 100% supply of goods which are not liable for GST, then no registration is required.
6.	Not liable to tax as mentioned u/s 23 of CGST means nil rated supply or abated value of supply?	Not liable to tax means supplies which is not leviable to tax under the CGST/SGST/IGST Act. Please refer to definition under Section 2(78) of the CGST Act.
7.	Whether civil contractor doing projects in various states requires separate registration for all states or a single registration at state of head office will suffice?	A supplier of service will have to register at the location from where he is supplying services.
8.	Whether aggregate turnover includes turnover of supplies on which tax is payable by the recipient under reverse charge?	Outward supplies on which tax is paid on reverse charge basis by the recipient will be included in the aggregate turnover of the supplier.
9.	If there are two SEZ units within same state, whether two registrations are required to be obtained?	SEZs under same PAN in a state require one registration. Please see proviso to rule 8(1) of CGST Rules.
10.	Is an advocate providing interstate supply chargeable under Reverse Charge liable for registration?	Exemption from registration has been provided to such suppliers who are making only those supplies on which recipient is liable to discharge GST under RCM.
11.	When is registration in other state required? Will giving service from Nasik to other state require registration in other state?	If services are being provided from Nasik then registration is required to be taken only in Maharashtra and IGST to be paid on inter-state supplies.
12.	I have migrated under GST but want to register as ISD. Whether I can apply now & what is the procedure?	A separate & new registration is required for ISD. New registrations are being opened from 0800 hrs. on 25.06.2017.

S. No.	Questions / Tweets Received	Replies
13.	I have enrolled in GST but I forgot to enter SAC codes. What should I do? The status is migrated.	The same can be filled while filing FORM REG-26 for converting provisional ID to final registration.
14.	I have ST number on individual name and have migrated to GST.I wish to transfer this on my proprietorship firm.	This conversion may be done while filling FORM REG-26 for converting provisional ID to final registration.
15.	Please tell if rental income up to 20 lacs attracts GST or attracts any other charge?	GST is leviable only if aggregate turnover is more than 20 lacs. (Rs. 10 lacs in 11 special category States). For computing aggregate supplies turnover of all supplies made by you would be added.
16.	If someone trades only 0% GST items (grains, pulses) then is it necessary to register for GST, if the turnover exceeds ₹20 lacs?	A person dealing with 100% exempted supply is not liable to register irrespective of turnover.
17.	Is it correct that person dealing exclusively in NIL rated or exempt goods/ services liable to register if turnover > 20/10 Lakh?	There is no liability of registration if the person is dealing with 100% exempt supplies.
18.	If I register voluntarily though turnover is less than 20 Lakhs, am I required to pay tax from 1st supply I make post registration?	Yes, you would be treated as a normal taxable person.
19.	Whether a separate GSTIN would be allotted to a registered person for deducting TDS (he has PAN and TAN as well)?	Separate registration as tax deductor is required.
20.	Is separate registration required for trading and manufacturing by same entity in one state?	There will be only one registration per State for all activities.

S. No.	Questions / Tweets Received	Replies
21.	I am registered in TN and getting the service from unregistered dealer of AP, should I take registration in AP to discharge GST under RCM?	Any person who makes make inter-state taxable supply is required to take registration. Therefore in this case AP dealer shall take registration and pay tax.
22.	Is there any concept of area based exemption under GST?	There will be no area based exemptions in GST.
23.	If a company in Maharashtra holds only one event in Delhi, will they have to register in Delhi? Will paying IGST from Maharashtra suffice?	Only if you provide any supply from Delhi you need to take registration in Delhi. Else, registration at Mumbai is sufficient (and pay IGST on supplies made from Mumbai to Delhi)
24.	How long can I wait to register in GST ?	An unregistered person has 30 days to complete its registration formalities from its date of liability to obtain registration.
25.	What If I am not liable to register under GST but I was registered under Service tax ?	You can apply for cancellation of Provisional ID on or before 31st July 2017.
26.	When turnover of agents will be added to that of the principal for registration?	No.
27.	If I am not an existing taxpayer and wish to newly register under GST, when can I do so?	You would be able to apply for new registration at the GST Portal gst.gov.in from 0800 hrs. on 25th June 2017
Refund		
28.	I have a pending export refund in Service Tax. What will happen?	Refunds under earlier laws will be given under the respective laws only.

S. No.	Questions / Tweets Received	Replies
29.	As an exporter, how do I ensure that my working capital is not blocked as refunds?	Appropriate provisions have been made in the law by providing for grant of 90% refund on provisional basis within 7 days from filing of registration.
Cess		
30.	What will be the impact of GST on coal? Will the clean energy Cess on coal go or will it stay?	Clean Environmental Cess on coal will be replaced by GST Compensation Cess.
Composition Scheme		
31.	Suppose I am in composition scheme in GST. If I purchase goods from unregistered person, then GST will be paid to Government by me or not?	Yes, you will be liable to pay tax on reverse charge basis for supplies from unregistered person.
Customs		
32.	What duties will be levied on import of goods?	Customs duty and cess as applicable + IGST + GST compensation cess. IGST and GST compensation cess shall be paid after adding all customs duty and customs cess to the value of imports.
Exports		
33.	Present Procedures have Service Tax on Nepal, But no Goods Tax on Nepal. But, With GST, what tax will apply?	The export procedure for Nepal would be same as that to other Countries.
34.	Are there exemptions for SEZ? How will a SEZ transaction happen in GST regime?	Supplies to SEZs are zero-rated supplies as defined in Section 16 of IGST Act.
35.	How would the sale and purchase of goods to and from SEZ will be treated? Will it be export / input?	Supply to SEZs is zero rated supplies and supplies by SEZs are treated as imports.

S. No.	Questions / Tweets Received	Replies
36.	Please clarify status of international export freight under GST as the same was exempt under POPS rules. It is zero rated in most countries.	
37.	When goods are being imported from SEZ who will pay IGST?	POS for transport of goods determinable in terms of sec 12(8) or sect 13(8) of IGST Act, 2017, depending upon location of service provider/service receiver. Exports are treated as zero rated supplies.
38.	Who will pay IGST when goods are procured from SEZ? Today importer is paying both BCD and CVD.	Such supply is treated as import and present procedure of payment of duty continues with the variation that IGST is levied in place of CVD.
Input Tax Credit		
39.	Is SGST of Rajasthan charged by supplier on purchase from Rajasthan can be utilize for payment of SGST in Madhya Pradesh?	SGST of one State cannot be utilized for discharging of output tax liability of another State.
40.	How one can use SGST credit for the payment of IGST on another state?	SGST Credit can be used for payment of IGST liability under the same GSTIN only.
41.	Can one State CGST be used to pay another state CGST?	The CGST and SGST Credit for a State can be utilized for payment of their respective CGST/SGST liabilities within that State for the same GSTIN only.
42.	In case of service supplied, should the credit be given to the state where it is billed or the state it is rendered?	Tax will be collected in the State from which the supply is made. The supplier will collect IGST and the recipient will take IGST credit.

S. No.	Questions / Tweets Received	Replies
43.	Company is engaged in manufacturing of cement & power. Which rule to be referred for reversal of credit related to power business?	Detailed rules for reversal of ITC when the supplier is providing exempted and non-exempted supplies have been provided in ITC Rules.
44.	How will the credit / debit note from unregistered supplier be reported to GSTN and ITC claimed in the same?	Like invoice, credit/debit notes on behalf of unregistered person will be given by registered person only. Further, GSTR2 provides for reporting of same by the recipient.
Invoice		
45.	A shop sells taxable & exempt products to the same person (B2C), is it required to issue tax invoice and bill of supply separately?	In such a case the person can issue one tax invoice for the taxable invoice and also declare exempted supply in the same invoice.
46.	Do registered dealers have to record Aadhaar/PAN while selling goods to unregistered dealers?	There is no requirement to take Aadhaar / PAN details of the customer under the GST Act.
47.	All expenses like freight / transport / packing which are charged in Sales Invoice are taxable in GST? How to charge in bill?	All expenses will have to be included in the value and invoice needs to be issued accordingly. Please refer to Section 15 of CGST Act and Invoice Rules.
48.	Can we move construction material to builders on delivery challan and issue tax invoice post completion of activity?	If the goods are meant to be supplied in the course of construction an invoice is necessary. If the goods are tools which are to be used for construction then delivery challan should be issued.
49.	How to treat following transaction in GST (i) Delivered supply shortages in Transit. (ii) Customer gets less quantity and pays less.	The supplier may issue credit note to the customers and adjust his liability.

S. No.	Questions / Tweets Received	Replies
50.	Should we issue Self Invoice for GST liability discharge on RCM or GST can be discharge through expenses booking voucher?	For RCM liabilities tax invoice has to be issued on self.
Returns		
51.	What would be done on tax paid on advance receipt if advance has to be refunded in any circumstance	Advance refunded can be adjusted in return.
52.	Do registered dealers have to upload sale details of unregistered dealers also in GST?	Generally not. But required in case of inter-State supplies having invoice value of more than Rs 2.50 Lakhs.
53.	How to incorporate two supplies in return for Pharma with same HSN code of four digits but having different tax rates?	Returns provide for furnishing rate wise details.
Supply		
54.	Should we discharge GST liability for all reverse charge having small amounts of Transaction or any amount limit is there?	It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person. For supplies above this amount, a monthly consolidated bill can be raised.
55.	What is treatment of promotional item given free to end consumers by FMCG companies?	Tax will be charged only on the total consideration charged for such supply.
56.	How to comply with 9(4) of CGST Act if POS is in another State of the unregistered supplier	Any person making inter-state supply has to compulsorily obtain registration and therefore in such cases, section 9(4) will not come into play.
57.	Under supply from unregistered dealer the purchaser have to pay GST on RCM basis.so whether stipend paid to intern will also come under RCM?	Stipend paid to interns will be employer-employee transactions. Hence, not liable for GST.

S. No.	Questions / Tweets Received	Replies
58.	Salary by partnership firm to Partners as per Income Tax Act liable to GST?	Salary will not be liable for GST.
59.	Sec 9(4) of CGST Act 2017. Do I need to pay under RCM if I purchase stationary worth Rs.100 from an unregistered stationery shop?	It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person.
60.	What is the treatment of promotional item given free to end consumers by FMCG companies? If taxable, whether ITC is allowed?	Tax is payable on consideration received for the supply.
61.	Whether GST will be leviable in case of returnable packing material like drums supplied with finished goods?	GST will be levied on the value charged for the supply only.
62.	How will disposal of scrap be treated in GST?	If the disposal is in the course or furtherance of business purposes, it will be considered as a supply.
63.	I am from MP and providing service to a customer in Maharashtra. I outsource the work to a service provider in Maharashtra, what tax i need to charge?	Generally these will be two supplies where the supplier from MP will charge IGST from the recipient in Maharashtra. Whereas, the service provider in Maharashtra will charge IGST from the recipient in MP.
64.	If address of buyer is Punjab and place of supply is same state of supplier (Rajasthan), then IGST will apply or CGST/SGST?	If the place of supply and the location of the supplier are in the same State then it will be intra-State supply and CGST / SGST will be applicable.
65.	Why is bifurcation of cash deposit as CGST-SGST-IGST required? Is cash held against a GSTIN, to be adjusted via return u/s 39	Three levies are under three different statutes and are required to be separately accounted for.

S. No.	Questions / Tweets Received	Replies
66.	What is the difference in between 'Nil rated', 'taxable at 0%' and exempted goods and services? Especially in relation with ITC	Exempt supply includes Nil rated (taxable at 0%) and non-Taxable supplies and no ITC is available for such supplies.
67.	Will professional tax will be abolished in Maharashtra after introducing of GST?	Professional tax is not a tax on supply of goods or services but on being in a profession. Professional tax not subsumed in GST.
68.	Employer provides bus service, meal coupon, telephone at residence, gives vehicle for official and personal use, uniform and shoes, any GST?	Where the value of such supplies is in the nature of gifts, no GST will apply till value of such gifts exceeds Rs. 50000/- in a financial year.
69.	The definition of composite supply and the description of same under Section 8 differ. Please explain consequences.	Section 2(30) defines what will be considered as a composite supply. Whereas, Section 8 provides that in case of a composite supply, the treatment for tax rate etc. will be that of principal supply.
70.	Whether slump sale will attract GST. If yes then under which Section?	It will have the same treatment as normal supply.
71.	Salary by Partnership firm to Partners as per Income Tax Act liable to GST? Partners are not employees of the firm.	Salary will not be leviable of GST.
Transition		
72.	How do I avail transition credit ?	Transition credit can be availed by filing the respective forms under Transition rules upto 30.09.2017.
73.	Please provide the clarity on area based exemption 50/2003 in UK & HP.	Area based exemptions will not be continued under GST. It will be operated through the route of reimbursement as prescribed.

S. No.	Questions / Tweets Received	Replies
74.	We manufactured excisable goods. But unit availed the exception benefits 50/2003. What about my dealers stock?	The dealer will get deemed credit @40% / 60% of the CGST paid on supply of such goods in GST. If the goods are branded and greater than Rs. 25,000, full credit using CTD can be availed.
75.	A trader buys from manufacturer not registered in excise as his turnover is below 1.5cr. Then in such case can trader take ITC on stock up to 40%?	Yes deemed credit will be available subject to satisfaction of other conditions as prescribed.
76.	I am a trader. I have excise paid purchase invoice. Whether I can claim credit of full excise duty on closing stock of 1st July 2017	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
77.	If a trader purchases directly from manufacturer & has documents showing excise, will he get full excise credit or 40% of CGST?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
78.	If a fsd purchases directly from manufacturer and has value cum excise duty and excise duty is not separately shown will he get full credit?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
79.	Is the full excise credit also available to traders who purchases directly from manufacturers and excise is separately shown in invoice?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.

S. No.	Questions / Tweets Received	Replies
80.	In June 17 Vat return no amount carried forward & held stock of Rs. 50 lakhs. Then can we take credit of that stock or not?	The supplier would be eligible to carry forward the closing balance of ITC from VAT return for June 17.
81.	What will be the impact of closing stock which has been already paid vat on 1st July?	The supplier would be eligible to carry forward ITC on such stock from VAT return for June 17.
82.	If in Vat return refund claimed in June 17 & no balance credit in GST. Then what's the position of submission of Form C	Refund claimed under existing law will be handled as per the provisions of the existing law. Form C to be submitted in terms of provision of Rule 1(1) of Transition Rules.
83.	Some service was provided on 28.06.2017 but Invoice will be raised on 05.07.2017. Whether we have to charge Service Tax or GST?	If Point of Tax arises after appointed date, then GST will be chargeable on such supply.
84.	Would we be eligible for credit on Capital Goods in transit and received post GST?	No provision for such credit is there in GST law.
85.	What about VAT balance pending on transition date?	Balance VAT credit in the return will be transferred to new provisional ID as SGST Credit.
86.	What about deemed export against Form H?	Form H will not be there in GST.
87.	Who will bear tax difference on closing stocks as on 30th June 2017? Whether the manufacturer/ dealer or government?	Closing ITC in VAT return will be allowed to be carry forward in GST.
88.	How will we get input credit on stock in hand for spare parts billed from other state, excise, CST and entry tax paid?	For all inputs with duty paying documents available respective CGST / SGST credit will be available. But credit of CST will not be available.

S. No.	Questions / Tweets Received	Replies
89.	A trader buys from manufacturer not registered in excise as his turnover is below 1.5 crore. then in such case can traders take ITC on stock up to 40%	Deemed Credit will be available on stock in hand provided the conditions of section 140(3) read with Rule 1(4) of Transition Rules are satisfied.
90.	Whether we will be eligible for credit of duty paid on Capital Goods in transit and received post GST?	No such provision in GST.
91.	Can ITC of Swach Bharat Cess or Krishi Kalyan Cess be carried forward under GST?	No
92.	Will Clean Energy CESS on imported Coal @ Rs. 400 PMT continue to be applicable in GST?	No. Clean Energy Cess is being repealed. Coal, however, will be subject to compensation cess @ Rs 400/- per tonne.
93.	Whether closing balance of edu cess and secondary higher education cess prior to 1st Mar 2015 can be carried forward in GST?	No it will not be carried forward in GST as it is not covered by definition of "eligible duties and taxes" under Section 140 of the CGST Act.
94.	Can u clarify for 40% benefit on closing stock does 1 year limit apply or not ?	Deemed credit will be available for all stock procured within a 1 year period.
95.	Till what time is transition credit available? Where do I need to declare my input stock?	The window to declare transition credit forms is three months from the appointed day. Please refer to transition rules for more details.
UTGST		
96.	Will there be GST in A&N Islands as previously there was no VAT	Yes. For supplies within A&N, CGST plus UTGST would be leviable.
Others		
97.	Whether IGST would be levied twice on high seas sales? First on high seas sales and second on custom clearance. IGST paid on 1 available as ITC?	IGST shall be levied only once on imports.

S. No.	Questions / Tweets Received	Replies
98.	Will Krishi Mandi Fee (imposed in U.P.) be waived off in GST?	GST does not concern such fee so GST does not affect it.
99.	Is E-Way Bill applicable from 1st July 2017	The present system for E-way Bill in States to continue, till the E-Way Bill procedures are finalized.
100.	Is there a sunset clause for Anti-Profiteering law?	Yes, the sunset clause for Anti-profiteering Authority is of two years.
101	Is ITC available on vehicle taken on lease for employee in a manufacturing company?	No. It is not allowed as per section 17(5) of CGST Act, 2017.
102	We are dealer having more than 1.5 cr turnover. Whether GSTR-1 return to be filed for every month for July- October, 2017 or Single GSTR-1 Return will be filed for the month of July- October, 2017 on or before 31st December, 2017.	FORM GSTR -1 return is to be filed for every month from July-October, 2017 by registered persons having more than 1.5 cr turnover. Last date is 31st Dec, 2017
103	In GST portal GSTR 2 online preparation is not showing, but in GST home page GSTR 2 filing last date is 30.11.17. Pls confirm whether we have to file or not?	Last dates for filing FORM GSTR – 2 are yet to be notified. Please refer to notf No. 57/2017-CT and Notf No. 58/2017-CT dated 15.11.2017.
104	Is it necessary to Provide Job work challan details in GSTR -1 filing online	No.
105	What documents are needed for Sales return from unregistered persons. Do i need to issue debit note on behalf of him. please clarify	Registered person will issue a credit note to the unregistered person.
106	What is last date for filing FORM GSTTRAN-1?	27th December, 2017
107	How to convert regular GST registration into ISD registration?	You will have to first cancel the regular registration by filing FORM GST REG 29 and then take a fresh registration by filing FORM GST REG-01 choosing ISD in the field “Reason to obtain registration”.

S. No.	Questions / Tweets Received	Replies
108	Can we add different trade name under one GSTIN	No
109	If I missed certain invoices in Sept, and now added them in GSTR-3B of Oct, how will return be dealt?	Tax will have to be paid with interest in GSTR-3B return of October.
110	Is there any provision for revision or rectification of GSTR-3B for those dealers who have filed their returns.	No, the facility to edit FORM GSTR 3B is not available if you have filed the return. However, in case you have only submitted the return but not filed, edit facility shall be available.
111	Kindly clarify whether tax under reverse charge is payable on purchase from unregistered dealers upto 12th October or not.	Yes it has to be paid till 12th October as Not. 38/2017-Central Tax (Rate) came into force with effect from 13th October, 2017.
112	How to get refund of wrongly deposited cash in IGST ledger?	A Circular is being issued to provide for manual filing and processing of refund claims in this regard.
113	If any regular dealer opted Composition scheme in Nov. What Will be effective date for composition 1st Dec or Date of opting out??	1st Dec since as per rule 3 of CGST Rules, 2017 he may opt to pay tax under composition scheme with effect from the first day of the month immediately succeeding the month in which he files an intimation
114	Is FORM GST CMP 3 compulsory for migrated dealer or for new dealer who opt for composition scheme or for both ?	It is only for migrated dealers as per rule 3(4) of CGST Rules, 2017
115	have received refund from previous regime of CBEC at Cenvat credit of my pre deposit. How to avail it.	It can be claimed as per the provisions of Section 140 of CGST Act, 2017
116	What is the due date for filing FORM GSTR-4 for the quarter of July 2017 to September 2017??	24.12.2017

S. No.	Questions / Tweets Received	Replies
117	Sir B2B business me outward supply me bill amount ke uper interest add hoke aata he to interest par kitna GST lagta he	The rate at which the corresponding supply is taxed
118	When will RFD-01 be functional on GST site so that refund in cases other than exports can be claimed?	In place of FORM GST RFD-01, a new FORM GST RFD-01A is available on the common portal for claiming refunds. Pls refer to Circular No. 17/17/2017-GST dated 15.11.2017.
119	Less ITC is claimed in GSTR 3B but books had more ITC. GSTR 3B is filed, how to claim differential ITC?	You can claim ITC in the subsequent months.
120	More Output is shown in another GSTR 3B because Tax Paid on Advances could not be adjusted in books, how to rectify that increased Output?	You can utilize the amount paid to discharge future tax liability.
121	I am a work contractor. I have been given contract of making roads by PWD and nagar nigam. While issuing sale invoice is GST applicable and will I get tax credit on it.	GST pay karna padega par aap credit lene ke liye eligible nahi hai. (refer Sec 17(5) of CGST Act, 2017)
122	Should hotel room bookings less than Rs. 1000 not be adding GST?	There is no tax if the declared tariff is less than Rs. 1000
123	How one can identify GST Registration under composition scheme?? Any particular series or serial for them. It may happen restaurant under composition may charge 5% and pay @1%. Its a loss for both parties. Any way out?	“Composition taxable person, not eligible to collect tax on supplies” is required to be mentioned on bill of supply and at the place of business, “Composition taxable person” should be prominently written – Rule 5 of CGST Rules refers

S. No.	Questions / Tweets Received	Replies
124	kindly note that Decrease in the GST rates on Restaurant from 18% to 5% is a welcome step but I personally found that most of the restaurants are continuing with the same price as before and increased their gross rates.. so no benefits of reduced rates to customers. What to do	National Anti-Profiteering Authority is set up to take action in such cases. Pls refer to the print ad carried out in all daily newspapers on 22.11.2017.
125	supply made to EOU if infra state CGST/SGST or IGST Applicable?	Vide Notf 48/2017-CT, supply of goods to EOU are deemed exports, hence IGST To be paid
126	Sir, If services rendered & bill is raised before 01/07 but payment recd now with Service tax (following receipt basis). Whether to pay Service Tax or GST. Please guide.	Time of supply is before appointed date. Hence ST is to be paid in accordance with section 142
127	Which are non gst supply ?	Those which are not leviable to GST under the GST Acts viz., petrol, Diesel, Air Turbine Fuel
128	How can I know my GST jurisdictional officer to submit my refund application.as per notification no. 17/17/2017 date 15/11/2017 ?	Administrative orders for assigning the taxpayers to either the Central Tax or State Tax authorities are being issued in the States. In case such an order has not been issued in your State, you can approach either authorities.
129	how do I check the authenticity of GST bill. The GSTIN and product etc is correct but is there a way to find out if the supplier paid that money to GST or just took it from me?	Currently there is no such provision to check this since tax is paid by the supplier in a consolidated manner.

S. No.	Questions / Tweets Received	Replies
130	Our firm had input GST credit (of import purchase) greater than the output liability but the accountant paid GST in the cash ledger erroneously and now we don't have enough funds to meet the working capital requirements..how can we claim the refund?	A Circular detailing the procedure for manual filing of the application form for refund will be issued shortly. Or else, the amount paid can be used to pay future tax liability.
131	Can an unregistered vendor with annual turnover under INR 20 Lakh sell goods to SEZ Developer/ SEZ Unit?	Since SEZ is deemed foreign territory, it will be an inter-State supply of goods and the vendor has to get registered compulsorily as per section 24 of CGST Act.
132	What is the Procedure of claiming refund of GST late fee paid under penalty column?	It will be credited in the respective cash ledger by the common portal.
133	Pls tell me small traders of 40-50 lakhs turnover have to deposit tax monthly or quarterly. nobody is telling the clear picture. traders are muffled by accountants on this account pls clear the scenario	All registered persons have to pay tax monthly by filing FORM GSTR-3B.
134	Can a manufacturer who was not registered in excise take credit of goods on which he doesn't have duty paying documents i.e. Can he take deemed transitional credit?	No, as per section 140 of CGST Act
135	We have accidentally filed GST amount in wrong head. Filed under Cess. Can this be changed?	A Circular detailing the procedure for manual filing of the application form for refund will be issued shortly. Or else, the amount paid can be used to pay future tax liability.
136	Can an unregistered vendor with annual turnover under INR 20 Lakh supply services to SEZ Developer/ SEZ Unit?	Yes. (Refer Notf No. 10/2017-Integrated Tax date 13.10.2017)

S. No.	Questions / Tweets Received	Replies
137	Is the payment of tax required on receipt of advance in case of goods now?	No. (Refer Notf No. 66/2017-Central Tax date 15.11.2017)
138	What is the last date for filing ITC-04 for Jul- Sep Quarter, 2017?	30th December, 2017
139	I am an ISD. By when can I file ITC-06 for July, 2017?	By 31st December, 2017
140	If goods are destroyed or lost due to various reasons, can a person take ITC for such goods ?	No, a person cannot take ITC with respect to goods lost, stolen, destroyed or written off.
141	sir if someone is not providing proper bill and charging gst on blank/ rough page, as a consumer what can we do?	Issuing an invoice/ bill of supply is mandatory under GST law. Complaint against such persons can be made to jurisdictional tax officers
142	I am restaurant owner and also have supply of some other services worth Rs. 1 lakh. Am I eligible for Composition scheme ?	No. Please refer to Section 10 of CGST Act.
143	Challan for Job work in farm ITC-04 needs to be filed by 25th of next quarter. Is there any provision of relaxation in it?	Yes. Please refer to the Notification No. 51/2017-Central Tax
144	What is taxable value in case of export under LUT or bond as shipping bill show taxable value not applicable in filing GSTR 1. Which value whether FOB value or CFR /CIF or invoice value consider as taxable value?	Valuation needs to be done on basis of Section 15 of CGST Act & Chapter IV of CGST Rules. The same would be mentioned on tax invoice raised in accordance with rule 46 of CGST Rules.
145	Hi, I have a software solutions firm & I also supply service to few clients situated out side of India & they pay me via services like @paypal @ trasferwise. Do I have to apply GST on the invoices & if yes, how many? Is there any bond I have to supply? PLEASE HELP!!]	Export of services can be done, with or without payment of iGST, as per section 16 of the IGST Act.

S. No.	Questions / Tweets Received	Replies
146	Are the government agencies and government bodies exempted from GST?? Is there a notification to this effect?	No.
147	From which date, I will make export transaction with pay 0.1% IGST. This facility for all exporter?	Kindly refer to Notification No. 41/2017—integrated Tax (Rate)
148	We are a private ltd co registered in India. Our Parent company is in Europe. We supply ITES services to our parent co in Europe. Query: Whether the services provided by us to our parent co will be treated as Export Services as per GST Act..? Please clarify?	No as they will be treated as distinct entity
149	I am a transporter and does not need to get registered in GST. But, I do business with registered persons. Do I have to maintain any details?	Yes. Please refer to Chapter VII – Accounts & Records of CGST Act.
150	I need advance ruling on my business (supply)? Online process is not working. Need guidance.	Manual application can be given. Please refer to Notification no. 55/2017-Central Tax. A new rule 107A has been added for the same.
151	I am supplying services to Nepal/Bhutan and receiving consideration in INR. Will I have to pay IGST on such supplies?	Supply of services to Nepal/Bhutan for which consideration is received in INR have been notified as exempt. Therefore No tax is required to be paid.
152	Will I have to reverse ITC on supply of services to Nepal/Bhutan on which consideration is received in INR?	No. Supply of services to Nepal/Bhutan for which consideration is received in INR are exempt supplies but need not be added to the turnover of exempt supplies for the purpose of calculation of amount of ITC to be reversed.

S. No.	Questions / Tweets Received	Replies
153	I am a real estate developer registered in Delhi. I have received a contract for developing a project in Haryana. Do I need to register in Haryana?	No. As per section 7(3) of the IGST Act, such supplies are ISGT supplies. You need not take any registration in Haryana but you need to charge IGST on your works contract services.
154	I am a real estate developer registered in Delhi. I have a sales office in Mumbai, Chennai and Kolkata. Do I need to take registration in Maharashtra, Tamil Nadu and West Bengal?	yes as the sales office will be treated as distinct entity providing service to the registered office in Delhi
155	My supplier has also provided transportation of my goods. How much tax do I need to pay on the transportation charges?	Depends upon terms of contract. Normally, it will be part of supply of goods and will be subject to same tax rate as goods.
156	Can Banks issue a consolidated invoice?	Banks/Financial Institutions have the option of issuing a consolidated invoice for supplies made during the month at the end of the month. Alternatively, banks have to issue their invoices within 45 days of the provisions of supplies.
157	What will be the treatment of supplies received by individuals but later reimbursed by the employer?	Such supplies would be treated as consumed by the supplier. The transaction would be treated as a supply to consumer and no abcaus. in credit will be available to the employer on these transactions.
158	Some States are asking for e-way bills. Has the e-way bills been notified?	The e-way bill rules have been notified but will be implemented in a staggered manner from 2018. However, in the intervening period, States are free to continue with their existing e-way bill structure.

S. No.	Questions / Tweets Received	Replies
159	If the ECU is in the same state, will the supplier to ECU levy CGST/SGST or IGST?	Supply to EOU are treated as deemed exports but levy would depend upon nature of transaction
160	Will refund of IGST on exports be allowed for deemed exports?	Notification No. 49-CGST may be referred. Refund will be available to the supplier.
161	if our tour operator only book hotel for his customers how GST is to be charged? Can he opt for 5% rate of tour operate?	if the tour operator acts as a pure agent then he may charge 5% on his own commission whereas the hotel will charge the applicable rate on its own services.
162	GST paid wrongly in interest head instead of correct tax head. No option is available in GST Act to off set tax liability except paid further to get credit in cash ledger. What to do?	In such cases refund of cash ledger may be sought.
163	Is FTWZ under GST?	Yes, FTWZ is under GST and all taxes leviable in SEZ under GST are also applicable on FTWZ.
164	I am located in Delhi. My recipient is in Gujarat but asks me to get goods delivered in Delhi. Should I charge IGST/CGST/SGST?	You need to charge CGST/SGST as per provisions of section 10(a) of the IGST Act, 2017
165	Will I get credit if I distribute a part of my output as free supplies?	Free supplies are not supplies as per GST law and hence no ITC is required. You need to reverse credit for the same.
166	If services rendered & bill is raised before 01/07/2017 but payment received now with Service tax (following receipt basis). Whether to pay Service Tax or GST. Please Guide.	If service tax has been charged on a supply, then GST will not be Leviable under Section 142(11)(b) of the CG5T Act, 2017.

S. No.	Questions / Tweets Received	Replies
167	Sir, if someone is not providing proper bill and charging GST on blank/rough page, as a consumer what can we do?	You can approach the jurisdictional authority to give a complaint.
168	GSTR-3B amendment in only after submitted return but not after filing return?	No GSTR-3B can not be amended after filing of return
169	How can I know my GST jurisdictional officer to submit my refund application as per Notification No. 17/17/2017 dated 15.11.2017?	Please refer to 02/2017 Central Tax dated 19/06/2017
170	late fees for GSTR-3B for first three months had been waived and fees already paid was going to be reflected in cash balance, but no such cash balance under any head is being reflected?	This will be available shortly
171	Are we supposed to file GSTR-2 for July?	Details about filing of GSTR-2 will be notified on a future date.
172	How to receive refund from previous regime of CBEC at Cenvat Credit of my pre-deposit?	Refund under existing laws, will be provided under provisions of the existing Acts only. You may contact your jurisdictional authorities for this.
173	Our company gave late payment to supplier who has raised a debit note to us for interest along with GST @ 18% against delayed payment. Is IGST applicable on such payment?	Yes. GST is leviable on interest or late fee or penalty for delayed payment of any consideration. Please see section 15 of CGST Act, 2017
174	If we have to sell vehicle to employee and the amount of vehicle had already recovered from their salary as EMI then what abcaus.in will be invoice value for GST?	Since this transaction is not in furtherance of business then such transaction would not be considered as supply.

S. No.	Questions / Tweets Received	Replies
175	if GST paid under wrong head can not be refunded at the moment at least they should allow to swap with other head?	Such cases may be handled through amendment of GSTR-3B return and subsequently claim cash ledger refund.
176	Can I take Input Tax Credit of tax paid on reverse charge?	Yes
177	Can tax liability arising out of reverse charge be discharged from available ITC?	No tax liability arising out of reverse charge can only be paid from the cash ledger.
178	CMP-03 form is compulsory for migrated dealer or for new dealer who opt composition scheme or for both?	Yes, CMP-03 Form has to be filed by everyone whom files an intimation under sub-rule (1) of Rule 3.
179	When the facility for filing GSTR-1 for Aug-2017 to Oct-2017 will be available on GST portal? Due date is 31st Dec. as per recent notification for below /above 1.5 crore kindly guide?	The facility to file quarterly GSTR-1 for taxpayers will turnover less than Rs. 1.5 Crore will be available soon.
180	Is IGST payable under RCM on consultancy fee paid to a lawyer located outside India for services rendered abroad?	In case, the service provider is outside India and the recipient of such service is in India, then RCM will be applicable.
181	Is registration compulsory on inter state movement of goods?	Yes, the facility of exemption from registration on inter state supply is available only for service provider and certain goods like handicrafts. All other suppliers of goods need to be compulsory register if they are making inter-state supplies

S. No.	Questions / Tweets Received	Replies
182	I have set up a stall at Trade Fair. I have not brought any goods for sale. I am just booking orders on advance the delivery of which will happen directly from my place of business to the customers. Is there any GST liability/registration required at the time of booking orders at Trade Fair?	No GST liability arises at the time of booking orders/receiving advances. Liability to pay GST will arise at the time of issuing invoice for delivery of goods from place of business.
183	I have used 100 units of inputs in manufacturing process during which 20 units of inputs go to waste. Do I need to reverse credit on the 20 units of wasted input?	No, there is no need for reversal of inputs which are used in the manufacturing process and end up getting wasted/destroyed.
184	Is there any liability to pay GST on advance received by a works contractor?	Yes, works contractor have been defined as services in GST Act. Therefore, GST is payable at the time of receipt of advance.
185	I am located in New Delhi. I procure goods on behalf of my customer located at Bombay from a supplier in Kanpur who raises bills in my name but delivers goods directly to Bombay. What will be GST Treatment?	IGST will be payable by the supplier in the Kanpur on invoice raised to you in Delhi. You will take ITC of the IGST so paid and take credit. You will issue invoice to buyer in Bombay and charge IGST.
186	Do I need to take registration if my turnover is Rs. 10 lakhs. What to do about migration from service tax?	No. registration is not required for service providers if aggregate turnover is less than Rs. 20 lakhs. If migrated abcaus.in from service tax, then please use Form REG-29 to cancel your registration.
187	if my turnover goes from below Rs. 20 lakhs to above Rs. 20 lakhs in FY 2017-18, when am I required to take registration?	You must apply for registration as soon as turnover crosses Rs. 20 lakhs. You will be liable to pay tax on all taxable supplies made from the effective date of registration.

S. No.	Questions / Tweets Received	Replies
188	During transition, can I take CGST credit of VAT paid earlier?	No CGST credit can not be taken of VAT paid earlier. Only SGST credit is available for the same.
189	During transition, can I take SGST credit of Central excise/Service Tax paid earlier?	No, SGST credit can not be taken of Central Excise/Service Tax paid earlier. Only CGST credit is available for the same.
190	Do I need to declare all items of trade/manufacture/provision of service while registration?	No. Only the top five items need to be declared while registration.
191	Is there any extension of GSTR-3B return for the month of October?	No, it has to be filed by 20th November, 2017. Late fee will be applicable otherwise.
192	What is penalty for late filing of GSTR-3B return?	There is no late fee for late filing of GSTR-3B for July, August and Sep 2017. From Oct onwards, the late fee for GSTR-3B will be Rs. 50 per day (Rs. 20 per day for NIL Filers)
193	How to claim refund of amount deposited in wrong head?	A Circular for manual filing of such refund applications is under process.
194	is it necessary to file return through CA, GST Practitioner?	No, taxpayer can file their return himself on the common portal www.gst.gov.in
195	Is there a simple procedure for filing NIL returns?	Currently there is no such facility. It is envisioned that a simple facility for NIL filers shall be introduced in the system in the future.
196	I was migrated as an assessee from the service tax law but under GST I have no liability since my business turnover is less than Rs. 20 lakhs. Am I still liable to file returns?	yes, every registered person is liable to file returns. You can cancel your migrated registration by filing Form GST REG-29.

S. No.	Questions / Tweets Received	Replies
197	Please clarify process for applying of refunds?	For exports with payment of IGST, the shipping bill is considered to be the application for refund and refund will be disbursed directly by Custom authorities. For refund of accumulated credit. Please refer Circular No. 17/17/2017 dated 15.11.2017.
198	My turnover is less than Rs. 20 lacs for both exempt, taxable, inter state and intra-State services. Do I need to register?	No, you do not need to register, since your turnover is less than Rs. 20 lacs.
199	Will my PLA balance gets transitioned through my TRAN-1 Form?	No, PLA balance will not be transitioned through the TRAN-1 Form.
200	Is there any requirement for a signed invoice from a registered supplier for every supply?	yes, It is required in terms of Rule 46(q).
201	I am in jewellery business opted composition from 01/07/17 do i need to pay on stock from URD ?as URD purchase for jewellers was not taxable under RCM.	Pl see press release dated 13/07/17 available at http://www.cbec.gov.in/resources//htdocs-cbec/press-release/Press-Release-Reverse-Charge.pdf
202	wrongly deposit the late fee amount Rs.6800/_ for sept month in to penalty column. How to get it back. Pl. Advice	U may claim refund. Circular on manual filing of refund application is being issued shortly.
203	how can we claim refund of IGST pmt for service exported with the pmt of IGST?	Pl. see circular no 17/17/2017 dated 15/11/2017.
204	where to show Debit notes in GSTR3B	It is to be shown in Table 3.1 of GSTR-3B.
205	sir I have wrongly filed GSTR-3B for the month of October now what can I do now?	Detailed circular is being issued shortly.

S. No.	Questions / Tweets Received	Replies
206	Dear Sir is it possible to claim Refund of IGST payment with manual filing	Refund of IGST paid on export of goods cannot be claimed manually. Shipping bill itself is treated as refund application.
207	how we can edit invoice number wrongly submit in gstr1, which shown in table 6A of gstr1 while claiming refund on export	It can be shown in Table 9A of GSTR-1 of next month.
208	plz tell me whether gst is applicable for sale of license by an Indian exporter to a Malaysian company (audio & video) content payment received in foreign currency. They will use those contents on YouTube GB etc	Facts not clear but this appears to be export of services.
209	made payment by mistake is there any chance for getting refund, if yes please suggest thank you	Circular for claiming refund of balance in cash ledger is being issued shortly.
210	dear sir one of client had paid wrongly in cess amount what can we do to reverse or can adjust any other tax	Refund can be claimed. Circular for manual filing of refund application is being issued shortly.
211	I missed October filing deadline. From what i can calculate the fine is already more than 2k. How do I file? My return'd be nil	Late fee for NIL return has already been reduced to Rs. 20/- per day. Pl. see Not No. 64/2017- Central tax dated 15/11/17.
212	Pls advise on the following: I was a compound dealer in VAT thereafter i migrated to GST & opt composition within time, my question is do i have to pay tax to fill CMP-03.	Tax is required to be paid. Pl. see Rule 5(1)(c) of CGST Rules.
213	Company purchased commercial vehicle for his own transportation, is ITC available for same?	It would be available. Pl. see section 17(5)(a)(ii) of CGST Act.

S. No.	Questions / Tweets Received	Replies
214	Monthly or Quarterly for dealer under 1.5 cr...do we need file GSTR3B or pay only challan	GSTR-3B is to be filed by all taxpayers. Pl. see Not. No. 35/17 dtd 15/09/17 & 56/17 dtd 15/11/17
215	(Composition Dealers) Stock declared 30thjune in CMP-3 will it liable for any tax on closing stock inspite of exhausted ITC or no c/f ITC.	Tax is payable. Pl. see Rule 5(1)(c) of CGST Rules.

It should be noted that the tweets received or the replies quoted are only for educational and guidance purposes and do not hold any legal validity.

CHAPTER 35

All Notifications/Circulars

LIST OF NON TARIFF NOTIFICATIONS

Central Tax Notifications

Notification No.	Date	Subject
01/2017-Central Tax	19-06-2017	Seeks to bring certain sections of the CGST Act 2017 into force w.e.f. 22.06.2017
02/2017-Central Tax	19-06-2017	Notifying jurisdiction of Central Tax Officers
03/2017-Central Tax	19-06-2017	Notifying the CGST Rules 2017 on registration and composition levy
04/2017-Central Tax	19-06-2017	Notifying www.gst.gov.in as the Common Goods and Services Tax Electronic Portal
05/2017-Central Tax	19-06-2017	Seeks to exempt persons only engaged in making taxable supplies total tax on which is liable to be paid on reverse charge basis
06/2017-Central Tax	19-06-2017	Modes of verification under CGST Rules 2017
07/2017-Central Tax	27-06-2017	Notification No. 7/2017- Central Tax amending Notification No. 3/2017- Central Tax has been issued
08/2017-Central Tax	27-06-2017	Seeks to to notify the turnover limit for Composition Levy for CGST

Notification No.	Date	Subject
09/2017-Central Tax	28-06-2017	Seeks to bring into force certain sections of the CGST Act 2017 w.e.f 01.07.2017
10/2017-Central Tax	28-06-2017	Seeks to amend CGST Rules notification no 3/2017-Central Tax dt 19.06.2017
11/2017-Central Tax	28-06-2017	Seeks to amend Notification no 6/2017-Central Tax dt 19.06.2017
12/2017-Central Tax	28-06-2017	Seeks to notify the number of HSN digits required on tax invoice
13/2017-Central Tax	28-06-2017	Seeks to prescribe rate of interest under CGST Act 2017
14/2017-Central Tax	01-07-2017	Assigning jurisdiction and power to officers of various directorates
15/2017-Central Tax	01-07-2017	Amending CGST Rules notification 10/2017-CT dt 28.06.2017
16/2017-Central Tax	07-07-2017	Notification No. 16/2017-CT (conditions and safeguards for furnishing a Letter of Undertaking in place of a bond for export without payment of integrated tax)
17/2017-Central Tax	27-07-2017	Seeks to amend the CGST Rules 2017
18/2017-Central Tax	08-08-2017	Seeks to extend time period for filing of details of outward supplies in FORM GSTR-1 for months of July and August.
19/2017-Central Tax	08-08-2017	Seeks to extend time period for filing of details of inward supplies in FORM GSTR-2 for months of July and August.
20/2017-Central Tax	08-08-2017	Seeks to extend time period for filing of details in FORM GSTR-3 for months of July and August.
21/2017-Central Tax	08-08-2017	Seeks to introduce date for filing of GSTR-3B for months of July and August.
22/2017-Central Tax	17-08-2017	Seeks to amend the CGST Rules 2017
23/2017-Central Tax	17-08-2017	Seeks to notify the date and conditions for filing the return in FORM GSTR-3B for the month of July 2017

Notification No.	Date	Subject
24/2017-Central Tax	21-08-2017	Seeks to further extend the date for filing of return in FORM GSTR-3B for the month of July 2017
25/2017-Central Tax	28-08-2017	Seeks to extend time period for filing of details in FORM GSTR-5A for month of July
26/2017-Central Tax	28-08-2017	Seeks to extend time period for filing of details in FORM GSTR-6 for months of July & August.
27/2017-Central Tax	30-08-2017	Seeks to further amend the CGST Rules 2017
28/2017-Central Tax	01-09-2017	Seeks to waive the late fee for late filing of FORM GSTR-3B for the month of July 2017
29/2017-Central Tax	05-09-2017	Seeks to extend due dates for furnishing details>Returns for the months of July 2017 and August 2017
30/2017-Central Tax	11-09-2017	Seeks to extend the time limit for filing of GSTR-1, GSTR-2 and GSTR-3.
31/2017-Central Tax	11-09-2017	Seeks to extend the time limit for filing of GSTR-6.
32/2017-Central Tax	15-09-2017	Seeks to granting exemption to a casual taxable person making taxable supplies of hand-craft goods from the requirement to obtain registration.
33/2017-Central Tax	15-09-2017	Notifying section 51 of the CGST Act 2017 for TDS.
34/2017-Central Tax	15-09-2017	Seventh amendment to the CGST Rules 2017
35/2017-Central Tax	15-09-2017	Seeks to extend the last date for filing the return in FORM GSTR-3B for the months of August to December 2017
36/2017-Central Tax	29-09-2017	Eighth amendment to CGST Rules 2017
37/2017-Central Tax	04-10-2017	Notification on extension of facility of LUT to all exporters issued

Notification No.	Date	Subject
38/2017-Central Tax	13-10-2017	Seeks to amend notification no. 32/2017-CT dated 15.09.2017 so as to add certain items to the list of “handicrafts goods”
39/2017-Central Tax	13-10-2017	Seeks to cross-empower State Tax officers for processing and grant of refund
40/2017-Central Tax	13-10-2017	Seeks to make payment of tax on issuance of invoice by registered persons having aggregate turnover less than Rs 1.5 crores
41/2017-Central Tax	13-10-2017	Seeks to extend the time limit for filing of FORM GSTR-4
42/2017-Central Tax	13-10-2017	Seeks to extend the time limit for filing of FORM GSTR-5A
43/2017-Central Tax	13-10-2017	Seeks to extend the time limit for filing of FORM GSTR-6
44/2017-Central Tax	13-10-2017	Seeks to extend the time limit for submission of FORM GST ITC-01
45/2017-Central Tax	13-10-2017	Seeks to amend the CGST Rules 2017
46/2017-Central Tax	13-10-2017	Seeks to amend notification No. 8/2017-Central Tax.
47/2017-Central Tax	18-10-2017	Tenth Amendment to the CGST rules 2017
48/2017-Central Tax	18-10-2017	Seeks to notify certain supplies as deemed exports under section 147 of the CGST Act 2017.
49/2017-Central Tax	18-10-2017	Seeks to notify the evidences required to be produced by the supplier of deemed export supplies for claiming refund under rule 89(2) (g) of the CGST rules 2017
50/2017-Central Tax	24-10-2017	Seeks to waive late fee payable for delayed filing of FORM GSTR-3B for Aug & Sep 2017
51/2017-Central Tax	28-10-2017	Eleventh Amendment to CGST Rules 2017
52/2017-Central Tax	28-10-2017	Seeks to extend the due date for submission of details in FORM GST-ITC-01
53/2017-Central Tax	28-10-2017	Seeks to extend the due date for submission of details in FORM GST-ITC-04

Notification No.	Date	Subject
54/2017-Central Tax	30-10-2017	Seeks to amend Notification no. 30/2017-Central Tax dated 11.09.2017 so as to extend the due date for filing FORM GSTR-2 and FORM GSTR-3 for the month of July 2017
55/2017-Central Tax	15-11-2017	Twelfth amendment to CGST Rules 2017
56/2017-Central Tax	15-11-2017	Seeks to mandate the furnishing of return in FORM GSTR-3B till March 2018
57/2017-Central Tax	15-11-2017	Seeks to prescribe quarterly furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of upto Rs.1.5 crore
58/2017-Central Tax	15-11-2017	Seeks to extend the due dates for the furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of more than Rs.1.5 crores
59/2017-Central Tax	15-11-2017	Seeks to extend the time limit for filing of FORM GSTR-4
60/2017-Central Tax	15-11-2017	Seeks to extend the time limit for furnishing the return in FORM GSTR-5 for the months of July to October 2017
61/2017-Central Tax	15-11-2017	Seeks to extend the time limit for furnishing the return in FORM GSTR-5A for the months of July to October 2017
62/2017-Central Tax	15-11-2017	Seeks to extend the time limit for furnishing the return in FORM GSTR-6 for the month of July 2017
63/2017-Central Tax	15-11-2017	Seeks to extend the due date for submission of details in FORM GST-ITC-04
64/2017-Central Tax	15-11-2017	Seeks to limit the maximum late fee payable for delayed filing of return in FORM GSTR-3B from October 2017 onwards
65/2017-Central Tax	15-11-2017	Seeks to exempt suppliers of services through an e-commerce platform from obtaining compulsory registration
66/2017-Central Tax	15-11-2017	Seeks to exempt all taxpayers from payment of tax on advances received in case of supply of goods

Notification No.	Date	Subject
67/2017-Central Tax	21-12-2017	Seeks to extend the time limit for filing FORM GST ITC-01.
68/2017-Central Tax	21-12-2017	Seeks to extend the time limit for filing FORM GSTR-5.
69/2017-Central Tax	21-12-2017	Seeks to extend the time limit for filing FORM GSTR-5A.
70/2017-Central Tax	21-12-2017	Seeks to further amend CGST Rules 2017 (Thirteenth Amendment).
71/2017-Central Tax	29-12-2017	Extends the due dates for quarterly furnishing of FORM GSTR-1 for taxpayers with aggregate turnover of upto Rs.1.5 crore.
72/2017-Central Tax	29-12-2017	Extends the due dates for monthly furnishing of FORM GSTR-1 for taxpayers with aggregate turnover of more than Rs.1.5 crores.
73/2017-Central Tax	29-12-2017	Waives the late fee payable for failure to furnish the return in FORM GSTR-4
74/2017-Central Tax	29-12-2017	Notifies the date from which E-Way Bill Rules shall come into force
75/2017-Central Tax	29-12-2017	CGST (Fourteenth Amendment) Rules 2017
01/2018-Central Tax	01-01-2018	Central Tax seeks to further amend notification No. 8/2017 - Central Tax so as to prescribe effective rate of tax under composition scheme for manufacturers and other suppliers.
02/2018-Central Tax	20-01-2018	Seeks to extend the last date for filing FORM GSTR-3B for December, 2017 till 22.01.2018.
03/2018-Central Tax	23-01-2018	First Amendment 2018, to CGST Rules
04/2018-Central Tax	23-01-2018	Reduction of late fee in case of delayed filing of FORM GSTR-1
05/2018-Central Tax	23-01-2018	Reduction of late fee in case of delayed filing of FORM GSTR-5
06/2018-Central Tax	23-01-2018	Reduction of late fee in case of delayed filing of FORM GSTR-5A

Notification No.	Date	Subject
07/2018-Central Tax	23-01-2018	Reduction of late fee in case of delayed filing of FORM GSTR-6
08/2018-Central Tax	23-01-2018	Extension of date for filing the return in FORM GSTR-6
09/2018-Central Tax	23-01-2018	Amendment of notification No. 4/2017-Central Tax dated 19.06.2017 for notifying e-way bill website
10/2018-Central Tax	23-01-2018	Amending notification No. 39/2017-Central Tax dated 13.10.2017 for cross-empowerment of State tax officers for processing and grant of refund
11/2018-Central Tax	02-02-2018	Seeks to postpone the coming into force of the E-way rules
12/2018-Central Tax	07-03-2018	Second Amendment (2018) to CGST Rules
13/2018-Central Tax	07-03-2018	Rescinding notification No. 06/2018 - CT dated 23.01.2018
14/2018-Central Tax	23-03-2018	CGST (Third Amendment) Rules 2018
15/2018-Central Tax	23-03-2018	Notifies the date from which E-Way Bill Rules shall come into force
16/2018-Central Tax	23-03-2018	Seeks to prescribe the due dates for filing FORM GSTR-3B for the months of April to June, 2018
17/2018-Central Tax	28-03-2018	Seeks to prescribe the due date for quarterly furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of upto Rs.1.5 crore
18/2018-Central Tax	28-03-2018	Seeks to extend the due dates for the furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of more than Rs.1.5 crores
19/2018-Central Tax	28-03-2018	Extension of date for filing the return in FORM GSTR-6
20/2018-Central Tax	28-03-2018	Extension of due date for filing of application for refund under section 55 by notified agencies

Notification No.	Date	Subject
21/2018 -Central Tax	18-04-2018	Notification seeks to make amendments (Fourth Amendment) to the CGST Rules, 2017.
22/2018-Central Tax	14-05-2018	Seeks to waive the late fee for FORM GSTR-3B
23/2018-Central Tax	18-05-2018	Seeks to extend the due date for filing of FORM GSTR-3B for the month of April, 2018.
24/2018-Central Tax	28-05-2018	Seeks to notify NACIN as the authority for conducting the examination for GST Practitioners under rule 83 (3) of the CGST Rules, 2017.
25/2018-Central Tax	31-05-2018	Seeks to extend the due date for filing of FORM GSTR-6 for the months from July, 2017 till June, 2018.
26/2018-Central Tax	13-06-2018	Seeks to make amendments (Fifth Amendment, 2018) to the CGST Rules, 2017.
27/2018-Central Tax	13-06-2018	Seeks to specify goods which may be disposed off by the proper officer after its seizure.
28/2018-Central Tax	19-06-2018	Notification issued for amending the CGST Rules, 2017
29/2018-Central Tax	06-07-2018	Seek to make amendments (Seventh Amendment, 2018) to the CGST Rules, 2017
30/2018-Central Tax	30-07-2018	Notification issued to extend the due date for filing of FORM GSTR-6.
31/2018-Central Tax	06-08-2018	Seeks to lay down the special procedure for completing migration of taxpayers who received provisional IDs but could not complete the migration process.
32/2018-Central Tax	10-08-2018	Seeks to prescribe the due dates for furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of more than Rs. 1.5 crores for the months from July, 2018 to March, 2019
33/2018-Central Tax	10-08-2018	Seeks to prescribe the due dates for quarterly furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of upto Rs.1.5 crores for the period from July, 2018 to March, 2019

Notification No.	Date	Subject
34/2018-Central Tax	10-08-2018	Seeks to prescribe the due dates for filing FORM GSTR-3B for the months from July, 2018 to March, 2019
35/2018-Central Tax	21-08-2018	Seeks to extend the due date for filing of FORM GSTR-3B for the month of July, 2018
36/2018-Central Tax	24-08-2018	Seeks to extend the due dates for filing FORM GSTR-3B for the months of July, 2018 and August, 2018
37/2018-Central Tax	24-08-2018	Seeks to prescribe the due dates for furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of more than Rs. 1.5 crores for the months of July, 2018 and August, 2018
38/2018-Central Tax	24-08-2018	Seeks to prescribe the due dates for quarterly furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of upto Rs.1.5 crores for the quarter July, 2018 to September, 2018
39/2018-Central Tax	04-09-2018	Seeks to make amendments (Eighth Amendment, 2018) to the CGST Rules, 2017
40/2018-Central Tax	04-09-2018	Seeks to extend the time limit for making the declaration in FORM GST ITC-04
41/2018-Central Tax	04-09-2018	Seeks to waive the late fee paid for specified classes of taxpayers for FORM GSTR-3B, FORM GSTR-4 and FORM GSTR-6
42/2018-Central Tax	04-09-2018	Seeks to extend the time limit for making the declaration in FORM GST ITC-01 for specified classes of taxpayers
43/2018-Central Tax	10-09-2018	Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover up to Rs 1.5 crores.
44/2018-Central Tax	10-09-2018	Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover above Rs 1.5 crores.

Notification No.	Date	Subject
45/2018-Central Tax	10-09-2018	Seeks to extend the due date for filing of FORM GSTR - 3B for newly migrated (obtaining GSTIN vide notification No. 31/2018-Central Tax, dated 06.08.2018) taxpayers [Amends notf. No. 21/2017 and 56/2017 - CT].
46/2018-Central Tax	10-09-2018	Seeks to extend the due date for filing of FORM GSTR - 3B for newly migrated (obtaining GSTIN vide notification No. 31/2018-Central Tax, dated 06.08.2018) taxpayers [Amends notf. No. 35/2017 and 16/2018 - CT]
47/2018-Central Tax	10-09-2018	Seeks to extend the due date for filing of FORM GSTR - 3B for newly migrated (obtaining GSTIN vide notification No. 31/2018-Central Tax, dated 06.08.2018) taxpayers [Amends notf. No. 34/2018 - CT].
48/2018-Central Tax	10-09-2018	Seeks to make amendments (Ninth Amendment, 2018) to the CGST Rules, 2017.
49/2018-Central Tax	13-09-2018	Notification amending the CGST Rules, 2017 (Tenth Amendment Rules, 2018)
50/2018-Central Tax	13-09-2018	Seeks to bring section 51 of the CGST Act (provisions related to TDS) into force w.e.f 01.10.2018
51/2018-Central Tax	13-09-2018	Seeks to bring section 52 of the CGST Act (provisions related to TCS) into force w.e.f 01.10.2018
52/2018-Central Tax	20-09-2018	Seeks to notify the rate of tax collection at source (TCS) to be collected by every electronic commerce operator for intra-State taxable supplies
53/2018-Central Tax	09-10-2018	Seeks to make amendments (Eleventh Amendment, 2018) to the CGST Rules, 2017. This notification restores rule 96(10) to the position that existed before the amendment carried out in the said rule by notification No. 39/2018- Central Tax dated 04.09.2018.

Notification No.	Date	Subject
54/2018-Central Tax	09-10-2018	Seeks to make amendments (Twelfth Amendment, 2018) to the CGST Rules, 2017. This notification amends rule 96(10) to allow exporters who have received capital goods under the EPCG scheme to claim refund of the IGST paid on exports and align rule 89(4B) to make it consistent with rule 96(10).
55/2018-Central Tax	21-10-2018	Seeks to extend the last date for filing of FORM GSTR-3B for the month of September, 2018 till 25.10.2018 for all taxpayers.
56/2018-Central Tax	23-10-2018	Seeks to supersede Notification No. 32/2017-Central Tax, dated 15.09.2017
57/2018-Central Tax	23-10-2018	Seeks to exempt post audit authorities under MoD from TDS compliance
58/2018-Central Tax	26-10-2018	Seeks to provide taxpayers whose registration has been cancelled on or before the 30th September, 2018 time to furnish final return in FORM GSTR-10 till 31st December, 2018
59/2018-Central Tax	26-10-2018	Seeks to extends the time limit for furnishing the declaration in FORM GST ITC-04 for the period from July, 2017 to September, 2018 till 31st December, 2018
60/2018-Central Tax	30-10-2018	Seeks to make amendments (Thirteenth Amendment, 2018) to the CGST Rules, 2017.
61/2018-Central Tax	05-11-2018	Seeks to exempt supply from PSU to PSU from applicability of provisions relating to TDS.
62/2018-Central Tax	29-11-2018	Seeks to extend the last date for filing of FORM GSTR-3B for taxpayers in Srikakulam district of Andhra Pradesh and 11 districts of Tamil Nadu.
63/2018-Central Tax	29-11-2018	Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover above Rs 1.5 crores for taxpayers in Srikakulam district in Andhra Pradesh and 11 districts of Tamil Nadu.

Notification No.	Date	Subject
64/2018-Central Tax	29-11-2018	Seeks to extend the due date for filing of FORM GSTR - 1 for taxpayers having aggregate turnover up to Rs 1.5 crores for the quarter from July, 2018 to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.
65/2018-Central Tax	29-11-2018	Seeks to extend the due date for filing of FORM GSTR - 4 for the quarter July to September, 2018 for taxpayers in Srikakulam district of Andhra Pradesh.
66/2018-Central Tax	29-11-2018	Seeks to extend the due date for filing of FORM GSTR - 7 for the months of October, 2018 to December, 2018
67/2018-Central Tax	31-12-2018	Seeks to extend the time period specified in notification No. 31/2018-CT dated 06.08.2018 for availing the special procedure for completing migration of taxpayers who received provisional IDs but could not complete the migration process.
68/2018-Central Tax	31-12-2018	Seeks to extend the time limit for furnishing the return in FORM GSTR-3B for the newly migrated taxpayers.
69/2018-Central Tax	31-12-2018	Seeks to extend the time limit for furnishing the return in FORM GSTR-3B for the newly migrated taxpayers.
70/2018-Central Tax	31-12-2018	Seeks to extend the time limit for furnishing the return in FORM GSTR-3B for the newly migrated taxpayers.
71/2018-Central Tax	31-12-2018	Seeks to extend the time limit for furnishing the details of outward supplies in FORM GSTR-1 for the newly migrated taxpayers.
72/2018-Central Tax	31-12-2018	Seeks to extend the time limit for furnishing the details of outward supplies in FORM GSTR-1 for the newly migrated taxpayers.

Notification No.	Date	Subject
73/2018-Central Tax	31-12-2018	Seeks to exempt supplies made by Government Departments and PSUs to other Government Departments and vice-versa from TDS.
74/2018-Central Tax	31-12-2018	Fourteenth amendment to the CGST Rules, 2017 .
75/2018-Central Tax	31-12-2018	Seeks to fully waive the amount of late fees leviable on account of delayed furnishing of FORM GSTR-1 for the period July, 2017 to September, 2018 in specified cases.
76/2018-Central Tax	31-12-2018	Seeks to specify the late fee payable for delayed filing of FORM GSTR-3B and fully waive the amount of late fees leviable on account of delayed furnishing of FORM GSTR-3B for the period July, 2017 to September, 2018 in specified cases.
77/2018-Central Tax	31-12-2018	Seeks to fully waive the amount of late fees leviable on account of delayed furnishing of FORM GSTR-4 for the period July, 2017 to September, 2018.
78/2018-Central Tax	31-12-2018	Seeks to extend the due date for furnishing FORM ITC-04 for the period from July, 2017 to December, 2018 till 31.03.2019.
79/2018-Central Tax	31-12-2018	Seeks to amend notification No. 2/2017 - Central Taxes dated 19.06.2017.
01/2019-Central Tax	15-01-2019	Seeks to amend notification No. 48/2017 to amend the meaning of Advance Authorisation
02/2019-Central Tax	29-01-2019	Seeks to bring into force the CGST (Amendment) Act, 2018
03/2019-Central Tax	29-01-2019	Seeks to amend the CGST Rules, 2017
04/2019-Central Tax	29-01-2019	Seeks to amend notification No. 2/2017-Central Tax dated 19.06.2017 so as to define jurisdiction of Joint Commissioner (Appeals)
05/2019-Central Tax	29-01-2019	Seeks to amend notification No. 8/2017-Central Tax dated 27.06.2017 so as to align the rates for Composition Scheme with CGST Rules, 2017

Notification No.	Date	Subject
06/2019-Central Tax	29-01-2019	Seeks to amend notification No. 65/2017-Central Tax dated 15.11.2017 in view of bringing into effect the amendments (to align Special Category States with the explanation in section 22 of CGST Act, 2017) in the GST Acts
07/2019-Central Tax	31-01-2019	Seeks to extend the due date for furnishing of FORM GSTR – 7 for the months of October, 2018 to December, 2018 till 28.02.2019.
08/2019-Central Tax	08-02-2019	Seeks to extend the due date for furnishing of FORM GSTR – 7 for the month of January, 2019 till 28.02.2019
09/2019-Central Tax	20-02-2019	Seeks to extend the due date for furnishing FORM GSTR-3B for the month of January, 2019 to 28.02.2019 for registered persons having principal place of business in the state of J&K; and 22.02.2019 for the rest of the States.
10/2019-Central Tax	07-03-2019	To give exemption from registration for any person engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed Rs 40 lakhs.
11/2019-Central Tax	07-03-2019	Seeks to prescribe the due dates for furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover upto Rs. 1.5 crores for the months of April, May and June, 2019.
12/2019-Central Tax	07-03-2019	Seeks to prescribe the due dates for furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of more than Rs. 1.5 crores for the months of April, May and June, 2019.
13/2019-Central Tax	07-03-2019	Seeks to prescribe the due dates for furnishing of FORM GSTR-3B for the months of April, May and June, 2019.
14/2019-Central Tax	07-03-2019	Seeks to supersede notification No. 08/2017 - Central Tax dated 27.06.2017 in order to extend the limit of threshold of aggregate turnover for availing Composition Scheme u/s 10 of the CGST Act, 2017 to Rs. 1.5 crores.

Notification No.	Date	Subject
15/2019-Central Tax	28-03-2019	Notification to extend the due date for furnishing of FORM GST ITC-04 for the period July 2017 to March 2019 till 30th June 2019 issued.
16/2019-Central Tax	29-03-2019	Seeks to make Second Amendment (2019) to CGST Rules.
17/2019-Central Tax	10-04-2019	Seeks to extend the due date for furnishing FORM GSTR-1 for taxpayers having aggregate turnover more than Rs. 1.5 crores for the month of March, 2019 from 11.04.2019 to 13.04.2019
18/2019-Central Tax	10-04-2019	Seeks to extend the due date for furnishing FORM GSTR-7 for the month of March, 2019 from 10.04.2019 to 12.04.2019
19/2019-Central Tax	22-04-2019	Seeks to extend the due date for furnishing of returns in FORM GSTR-3B for the Month of March, 2019 for three days (i.e. from 20.04.2019 to 23.04.2019).
20/2019-Central Tax	23-04-2019	Seeks to make Third amendment, 2019 to the CGST Rules.
21/2019-Central Tax	23-04-2019	Seeks to notify procedure for quarterly tax payment and annual filing of return for taxpayers availing the benefit of Notification No. 02/2019- Central Tax (Rate), dated the 7th March, 2019
22/2019-Central Tax	23-04-2019	Seeks to notify the provisions of rule 138E of the CGST Rules w.e.f 21st June, 2019.
23/2019-Central Tax	11-05-2019	Seeks to extend the due date for furnishing FORM GSTR-1 for taxpayers having aggregate turnover more than Rs. 1.5 crores for the month of April, 2019 for registered persons in specified districts of Odisha till 10.06.2019.
24/2019-Central Tax	11-05-2019	Seeks to extend the due date for furnishing FORM GSTR-3B for the month of for the month of April, 2019 for registered persons in specified districts of Odisha till 20.06.2019.

Notification No.	Date	Subject
25/2019-Central Tax	21-06-2019	Seeks to extend the date from which the facility of blocking and unblocking on e-way bill facility as per the provision of Rule 138E of CGST Rules, 2017 shall be brought into force to 21.08.2019.
26/2019-Central Tax	28-06-2019	Seeks to extend the due date of filing returns in FORM GSTR-7
27/2019-Central Tax	28-06-2019	Seeks to prescribe the due date for furnishing FORM GSTR-1 for registered persons having aggregate turnover of up to 1.5 crore rupees for the months of July, 2019 to September,2019.
28/2019-Central Tax	28-06-2019	Seeks to extend the due date for furnishing FORM GSTR-1 for registered persons having aggregate turnover of more than 1.5 crore rupees for the months of July, 2019 to September,2019
29/2019-Central Tax	28-06-2019	Seeks to prescribe the due date for furnishing FORM GSTR-3B for the months of July, 2019 to September,2019.
30/2019-Central Tax	28-06-2019	Seeks to provide exemption from furnishing of Annual Return / Reconciliation Statement for suppliers of Online Information Database Access and Retrieval Services("OIDAR services").
31/2019-Central Tax	28-06-2019	Seeks to carry out changes in the CGST Rules, 2017.
32/2019-Central Tax	28-06-2019	Seeks to extend the due date for furnishing the declaration FORM GST ITC-04
33/2019-Central Tax	18-07-2019	Seeks to carry out changes in the CGST Rules, 2017.
34/2019-Central Tax	18-07-2019	Seeks to extend the last date for furnishing FORM GST CMP-08
35/2019-Central Tax	29-07-2019	Seeks to extend the last date for furnishing FORM GST CMP-08 for the quarter April -June 2019 till 31.08.2019

Notification No.	Date	Subject
36/2019-Central Tax	20-08-2019	Seeks to extend the date from which the facility of blocking and unblocking of e-way bill facility as per the provision of Rule 138E of CGST Rules, 2017 shall be brought into force to 21.11.2019.
37/2019-Central Tax	21-08-2019	Seeks to extend the due date for furnishing FORM GSTR-3B for the month of July, 2019.
38/2019-Central Tax	31-08-2019	Seeks to waive filing of FORM ITC-04 for F.Y. 2017-18 & 2018-19.
39/2019-Central Tax	31-08-2019	Seeks to bring Section 103 of the Finance (No. 2) Act, 2019 in to force.
40/2019-Central Tax	31-08-2019	Seeks to extend the last date in certain cases for furnishing GSTR-7 for the month of July, 2019.
41/2019-Central Tax	31-08-2019	Seeks to waive the late fees in certain cases for the month of July, 2019 for FORM GSTR-1 and GSTR-6 provided the said returns are furnished by 20.09.2019.
42/2019-Central Tax	24-09-2019	Seeks to bring rules 10, 11, 12 and 26 of the CGST (Fourth Amendment) Rules, 2019 in to force.
43/2019-Central Tax	30-09-2019	Seeks to amend notification No 14/2019-Central Tax dated 7.3.2019 so as to exclude manufacturers of aerated waters from the purview of composition scheme.
44/2019-Central Tax	09-10-2019	Seeks to prescribe the due date for furnishing of return in FORM GSTR-3B for the months of October, 2019 to March, 2020.
45/2019-Central Tax	09-10-2019	Seeks to prescribe the due date for furnishing FORM GSTR-1 for registered persons having aggregate turnover of up to 1.5 crore rupees for the quarters from October, 2019 to March, 2020.

Notification No.	Date	Subject
46/2019-Central Tax	09-10-2019	Seeks to prescribe the due date for furnishing of return in FORM GSTR-1 for registered persons having aggregate turnover more than 1.5 crore rupees for the months of October, 2019 to March, 2020.
47/2019-Central Tax	09-10-2019	Seeks to make filing of annual return under section 44 (1) of CGST Act for F.Y. 2017-18 and 2018-19 optional for small taxpayers whose aggregate turnover is less than Rs 2 crores and who have not filed the said return before the due date.
48/2019-Central Tax	09-10-2019	Seeks to amend notification No. 41/2019 - Central Tax, dated the 31st August, 2019.
49/2019-Central Tax	09-10-2019	Seeks to carry out changes in the CGST Rules, 2017.
50/2019-Central Tax	24-10-2019	Seeks to extend the last date for filing of FORM GST CMP-08 for the quarter July-September 2019 by four days from 18.10.2019 till 22.10.2019.
51/2019-Central Tax	31-10-2019	Seeks to amend notification no. 2/2017-Central Tax in order to notify jurisdiction of Jammu Commissionerate over UT of J&K and UT of Ladakh
52/2019-Central Tax	14-11-2019	Seeks to extend the due date for furnishing FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover of up to 1.5 crore rupees for the quarter July, 2019 to September, 2019
53/2019-Central Tax	14-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the months of July, 2019 to September, 2019

Notification No.	Date	Subject
54/2019-Central Tax	14-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019
55/2019-Central Tax	14-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019
56/2019-Central Tax	14-11-2019	Seeks to carry out Seventh amendment (2019) in the CGST Rules, 2017. [Primarily related to Simplification of the Annual Return / Reconciliation Statement]
57/2019-Central Tax	26-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the months of July, 2019 to September, 2019
58/2019-Central Tax	26-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the month of October, 2019.
59/2019-Central Tax	26-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Jammu and Kashmir for the months of July, 2019 to October, 2019.
60/2019-Central Tax	26-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019
61/2019-Central Tax	26-11-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the month of October, 2019
62/2019-Central Tax	26-11-2019	Seeks to notify the transition plan with respect to J&K reorganization w.e.f. 31.10.2019

Notification No.	Date	Subject
63/2019-Central Tax	12-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the months of July, 2019 to September, 2019
64/2019-Central Tax	12-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Jammu and Kashmir having aggregate turnover more than 1.5 crore rupees for the month of October, 2019.
65/2019-Central Tax	12-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Jammu and Kashmir for the months of July, 2019 to October, 2019.
66/2019-Central Tax	12-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the months of July, 2019 to September, 2019
67/2019-Central Tax	12-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Jammu and Kashmir for the month of October, 2019
68/2019-Central Tax	13-12-2019	Seeks to carry out changes in the CGST Rules, 2017.
69/2019-Central Tax	13-12-2019	Seeks to notify the common portal for the purpose of e-invoice.
70/2019-Central Tax	13-12-2019	Seeks to notify the class of registered person required to issue e-invoice.
71/2019-Central Tax	13-12-2019	Seeks to give effect to the provisions of rule 46 of the CGST Rules, 2017.
72/2019-Central Tax	13-12-2019	Seeks to notify the class of registered person required to issue invoice having QR Code.
73/2019-Central Tax	23-12-2019	Seeks to extend the last date for filing of FORM GSTR-3B for the month of November, 2019 by three days from 20.12.2019 till 23.12.2019.

Notification No.	Date	Subject
74/2019-Central Tax	26-12-2019	Seeks to waive late fees for non- filing of FORM GSTR-1 from July, 2017 to November, 2019.
75/2019-Central Tax	26-12-2019	Seeks to carry out changes in the CGST Rules, 2017.
76/2019-Central Tax	26-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-1 for registered persons in Assam, Manipur or Tripura having aggregate turnover more than 1.5 crore rupees for the month of November, 2019.
77/2019-Central Tax	26-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-3B for registered persons in Assam, Manipur, Meghalaya or Tripura for the month of November, 2019
78/2019-Central Tax	26-12-2019	Seeks to extend the due date for furnishing of return in FORM GSTR-7 for registered persons in Assam, Manipur or Tripura for the month of November, 2019.
01/2020-Central Tax	01-01-2020	Seeks to bring into force certain provisions of the Finance (No. 2) Act, 2019 to amend the CGST Act, 2017.
02/2020-Central Tax	01-01-2020	Seeks to make amendment (2020) to CGST Rules.
03/2020-Central Tax	01-01-2020	Seeks to amend the notification No. 62/2019-CT dt. 26.11.2019 to amend the transition plan for the UTs of J&K and Ladakh
04/2020-Central Tax	10-01-2020	Seeks to extend the one-time amnesty scheme to file all FORM GSTR-1 from July 2017 to November, 2019 till 17th January, 2020.
05/2020-Central Tax	13-01-2020	Seeks to appoint Revisional Authority under CGST Act, 2017.
06/2020-Central Tax	03-02-2020	Seeks to extend the last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/FORM GSTR-9C for the period from 01.07.2017 to 31.03.2018.
07/2020-Central Tax	03-02-2020	Notification issued to prescribe due dates for filing of return in FORM GSTR-3B in a staggered manner.

Notification No.	Date	Subject
08/2020-Central Tax	02-03-2020	Seeks to “Amend the CGST Rules, 2017 to prescribe the value of Lottery”
09/2020-Central Tax	16-03-2020	Seeks to exempt foreign airlines from furnishing reconciliation Statement in FORM GSTR-9C
10/2020-Central Tax	21-03-2020	Seeks to provide special procedure for taxpayers in Dadra and Nagar Haveli and Daman and Diu consequent to merger of the two UTs
11/2020-Central Tax	21-03-2020	Seeks to provide special procedure for corporate debtors undergoing the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016
12/2020-Central Tax	21-03-2020	Seeks to waive off the requirement for furnishing FORM GSTR-1 for 2019-20 for taxpayers who could not opt for availing the option of special composition scheme under Notification No. 2/2019-Central Tax(Rate)
13/2020-Central Tax	21-03-2020	Seeks to exempt certain class of registered persons from issuing e-invoices and the date for implementation of e-invoicing extended to 01.10.2020
14/2020-Central Tax	21-03-2020	Seeks to exempt certain class of registered persons capturing dynamic QR code and the date for implementation of QR Code to be extended to 01.10.2020
15/2020-Central Tax	23-03-2020	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2018-2019 till 30.06.2020.
16/2020-Central Tax	23-03-2020	Seeks to make third amendment (2020) to CGST Rules.
17/2020-Central Tax	23-03-2020	Seeks to specify the class of persons who shall be exempted from aadhar authentication.
18/2020-Central Tax	23-03-2020	Seeks to notify the date from which an individual shall undergo authentication, of Aadhaar number in order to be eligible for registration.

Notification No.	Date	Subject
19/2020-Central Tax	23-03-2020	Seeks to specify class of persons, other than individuals who shall undergo authentication, of Aadhaar number in order to be eligible for registration.
20/2020-Central Tax	23-03-2020	Seeks to extend due date for furnishing FORM GSTR-7 for those taxpayers whose principal place of business is in the erstwhile State of Jammu and Kashmir for the July, 2019 to October, 2019 and November, 2019 to February, 2020 .
21/2020-Central Tax	23-03-2020	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir or the Union territory of Jammu and Kashmir or the Union territory of Ladakh for the quarter October-December, 2019 till 24th March, 2020
22/2020-Central Tax	23-03-2020	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, and having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or current financial year, for the month of October, 2019 and November, 2019 to February till 24th March, 2020.
23/2020-Central Tax	23-03-2020	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or current financial year, for each of the months from July, 2019 to September, 2019 till 24th March, 2020.

Notification No.	Date	Subject
24/2020-Central Tax	23-03-2020	Seeks to extend due date for furnishing FORM GSTR-1 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, for the quarter July-September, 2019 till 24th March,2020.
25/2020-Central Tax	23-03-2020	Seeks to extend due date for furnishing FORM GSTR-3B for the months of October, 2019 , November, 2019 to February, 2020 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir on or before the 24th March, 2020.
26/2020-Central Tax	23-03-2020	Seeks to extend due date for furnishing FORM GSTR-3B of the said rules for the months of July,2019 to September, 2019 for registered persons whose principal place of business is in the erstwhile State of Jammu and Kashmir, shall be furnished electronically through the common portal, on or before the 24th March, 2020
27/2020-Central Tax	23-03-2020	Seeks to prescribe the due date for furnishing FORM GSTR-1 for the quarters April, 2020 to June, 2020 and July, 2020 to September, 2020 for registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year.
28/2020-Central Tax	23-03-2020	Seeks to prescribe the due date for furnishing FORM GSTR-1 by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from April,2020 to September, 2020.
29/2020-Central Tax	23-03-2020	Seeks to prescribe return in FORM GSTR-3B of CGST Rules, 2017 along with due dates of furnishing the said form for April, 2020 to September, 2020

Notification No.	Date	Subject
30/2020-Central Tax	03-04-2020	Seeks to amend CGST Rules (Fourth Amendment) in order to allow opting Composition Scheme for FY 2020-21 till 30.06.2020 and to allow cumulative application of condition in rule 36(4).
31/2020-Central Tax	03-04-2020	Seeks to provide relief by conditional lowering of interest rate for tax periods of February, 2020 to April, 2020.
32/2020-Central Tax	03-04-2020	Seeks to provide relief by conditional waiver of late fee for delay in furnishing returns in FORM GSTR-3B for tax periods of February, 2020 to April, 2020.
33/2020-Central Tax	03-04-2020	Seeks to provide relief by conditional waiver of late fee for delay in furnishing outward statement in FORM GSTR-1 for tax periods of February, 2020 to April, 2020.
34/2020-Central Tax	03-04-2020	Seeks to extend due date of furnishing FORM GST CMP-08 for the quarter ending March, 2020 till 07.07.2020 and filing FORM GSTR-4 for FY 2020-21 till 15.07.2020.
35/2020-Central Tax	03-04-2020	Seeks to extend due date of compliance which falls during the period from "20.03.2020 to 29.06.2020" till 30.06.2020 and to extend validity of e-way bills.
36/2020-Central Tax	03-04-2020	Seeks to extend due date for furnishing FORM GSTR-3B for supply made in the month of May, 2020.
37/2020-Central Tax	28-04-2020	Seeks to give effect to the provisions of rule 87 (13) and FORM GST PMT-09 of the CGST Rules, 2017.
38/2020-Central Tax	05-05-2020	Seeks to make fifth amendment (2020) to CGST Rules.

Notification No.	Date	Subject
39/2020-Central Tax	05-05-2020	Seeks to make amendments to special procedure for corporate debtors undergoing the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.
40/2020-Central Tax	05-05-2020	Seeks to extend the validity of e-way bills till 31.05.2020 for those e-way bills which expire during the period from 20.03.2020 to 15.04.2020 and generated till 24.03.2020.
41/2020-Central Tax	05-05-2020	Seeks to extend the due date for furnishing of FORM GSTR 9/9C for FY 2018-19 till 30th September, 2020.
42/2020-Central Tax	05-05-2020	Seeks to extend the due date for furnishing FORM GSTR-3B, Jan-March, 2020 returns for the taxpayers registered in Ladakh.
43/2020-Central Tax	16-05-2020	Seeks to bring into force Section 128 of Finance Act, 2020 in order to bring amendment in Section 140 of CGST Act w.e.f. 01.07.2017.
44/2020-Central Tax	08-06-2020	Seeks to give effect to the provisions of Rule 67A for furnishing a nil return in FORM GSTR-3B by SMS
45/2020-Central Tax	09-06-2020	Seeks to extend the date for transition under GST on account of merger of erstwhile Union Territories of Daman and Diu & Dadar and Nagar Haveli.
46/2020-Central Tax	09-06-2020	Seeks to extend period to pass order under Section 54(7) of CGST Act.
47/2020-Central Tax	09-06-2020	Seeks to amend Notification No. 40/2020 - Central Tax dated 05.05.2020 in respect of extension of validity of e-way bill generated on or before 24.03.2020 (whose validity has expired on or after 20th day of March 2020) till the 30th day of June.
48/2020-Central Tax	19-06-2020	Seeks to make sixth amendment (2020) to CGST Rules.

Notification No.	Date	Subject
49/2020-Central Tax	24-06-2020	Seeks to bring into force Sections 118, 125, 129 & 130 of Finance Act, 2020 in order to bring amendment to Sections 2, 109, 168 & 172 of CGST Act w.e.f. 30.06.2020.
50/2020-Central Tax	24-06-2020	Seeks to make seventh amendment (2020) to CGST Rules.
51/2020-Central Tax	24-06-2020	Seeks to provide relief by lowering of interest rate for a prescribed time for tax periods from February, 2020 to July, 2020.
52/2020-Central Tax	24-06-2020	Seeks to provide one time amnesty by lowering/waiving of late fees for non furnishing of FORM GSTR-3B from July, 2017 to January, 2020 and also seeks to provide relief by conditional waiver of late fee for delay in furnishing returns in FORM GSTR-3B for tax periods of February, 2020 to July, 2020.
53/2020-Central Tax	24-06-2020	Seeks to provide relief by waiver of late fee for delay in furnishing outward statement in FORM GSTR-1 for tax periods for months from March, 2020 to June, 2020 for monthly filers and for quarters from January, 2020 to June, 2020 for quarterly filers
54/2020-Central Tax	24-06-2020	Seeks to extend due date for furnishing FORM GSTR-3B for supply made in the month of August, 2020 for taxpayers with annual turnover up to Rs. 5 crore.
55/2020-Central Tax	27-06-2020	Seeks to amend Notification No. 35/2020-Central Tax in order to extend due date of compliance which falls during the period from "20.03.2020 to 30.08.2020" till 31.08.2020.
56/2020-Central Tax	27-06-2020	Seeks to amend Notification No. 46/2020-Central Tax in order to further extend period to pass order under Section 54(7) of CGST Act till 31.08.2020 or in some cases upto fifteen days thereafter.

Notification No.	Date	Subject
57/2020-Central Tax	30-06-2020	Seeks to amend Notification No. 52/2020-Central Tax in order to provide conditional waiver of lat fees for the period from July, 2017 to July, 2020.
58/2020-Central Tax	01-07-2020	Seeks to make eighth amendment (2020) to CGST Rules
59/2020-Central Tax	13-07-2020	Seeks to extend the due date for filing FORM GSTR-4 for financial year 2019-2020
60/2020-Central Tax	30-07-2020	Seeks to make Ninth amendment (2020) to CGST Rules
61/2020-Central Tax	30-07-2020	Seeks to amend Notification no. 13/2020-Central Tax in order to amend the class of registered persons for the purpose of e-invoice
62/2020-Central Tax	20-08-2020	Seeks to make Tenth amendment (2020) to CGST Rules
63/2020-Central Tax	25-08-2020	Seeks to notify the provisions of section 100 of the Finance (No. 2) Act, 2019 to amend section 50 of the CGST Act, 2017 w.e.f. 01.09.2020
64/2020-Central Tax	31.08.2020	Seeks to extend the due date for filing FORM GSTR-4 for financial year 2019-2020 to 31.10.2020
65/2020-Central Tax	01.09.2020	Seeks to amend notification no. 35/2020-Central Tax dt. 03.04.2020 to extend due date of compliance under Section 171 which falls during the period from "20.03.2020 to 29.11.2020" till 30.11.2020
66/2020-Central Tax	21.09.2020	Seeks to give one time extension for the time limit provided under Section 31(7) of the CGST Act 2017 till 31.10.2020 .
67/2020-Central Tax	21.09.2020	Seeks to grant waiver / reduction in late fee for not furnishing FORM GSTR-4 for 2017-18 and 2018-19, subject to the condition that the returns are filled between 22.09.2020 to 31.10.2020.

Notification No.	Date	Subject
68/2020-Central Tax	21.09.2020	Seeks to grant waiver / reduction in late fee for not furnishing FORM GSTR-10, subject to the condition that the returns are filled between 22.09.2020 to 31.12.2020.
69/2020-Central Tax	30.09.2020	Seeks to amend notification no. 41/2020-Central Tax dt. 05.05.2020 to extend due date of return under Section 44 till 31.10.2020
70/2020-Central Tax	30.09.2020	Seeks to amend notification no. 13/2020-Central Tax dt. 21.03.2020.
71/2020-Central Tax	30.09.2020	Seeks to amend notification 14/2020- Central Tax to extend the date of implementation of the Dynamic QR Code for B2C invoices till 01.12.2020.
72/2020-Central Tax	30.09.2020	Seeks to make the Eleventh amendment (2020) to the CGST Rules.
73/2020-Central Tax	01.10.2020	Seeks to notify a special procedure for taxpayers for issuance of e-Invoices in the period 01.10.2020 - 31.10.2020.
74/2020-Central Tax	15.10.2020	Seeks to prescribe the due date for furnishing FORM GSTR-1 for the quarters October, 2020 to December, 2020 and January, 2021 to March, 2021 for registered persons having aggregate turnover of up to 1.5 crore rupees in the preceding financial year or the current financial year.
75/2020-Central Tax	15.10.2020	Seeks to prescribe the due date for furnishing FORM GSTR-1 by such class of registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from October, 2020 to March, 2021.
76/2020-Central Tax	15.10.2020	Seeks to prescribe return in FORM GSTR-3B of CGST Rules, 2017 along with due dates of furnishing the said form for October, 2020 to March, 2021.

Notification No.	Date	Subject
77/2020-Central Tax	15.10.2020	Seeks to make filing of annual return under section 44 (1) of CGST Act for F.Y. 2019-20 optional for small taxpayers whose aggregate turnover is less than Rs 2 crores and who have not filed the said return before the due date.
78/2020-Central Tax	15.10.2020	Seeks to notify the number of HSN digits required on tax invoice.
79/2020-Central Tax	15.10.2020	Seeks to make the Twelfth amendment (2020) to the CGST Rules.2017.
80/2020-Central Tax	28.10.2020	Seeks to amend notification no. 41/2020-Central Tax dt. 05.05.2020 to extend due date of return under Section 44 till 31.12.2020.
81/2020-Central Tax	10.11.2020	Seeks to notify amendment carried out in sub-section (1), (2) and (7) of section 39 vide Finance (No.2) Act, 2019.
82/2020-Central Tax	10.11.2020	Seeks to make the Thirteenth amendment (2020) to the CGST Rules.2017
83/2020-Central Tax	10.11.2020	Seeks to extend the due date for FORM GSTR-1
84/2020-Central Tax	10.11.2020	Seeks to notify class of persons under proviso to section 39(1).
85/2020-Central Tax	10.11.2020	Seeks to notify special procedure for making payment of 35% as tax liability in first two month
86/2020-Central Tax	10.11.2020	Seeks to rescind Notification 76/2020-Central tax dated 15.08.2020.
87/2020-Central Tax	10.11.2020	Seeks to extend the due date for furnishing of FORM ITC-04 for the period July- September 2020 till 30th November, 2020.
88/2020-Central Tax	10.11.2020	Seeks to implement e-invoicing for the taxpayers having aggregate turnover exceeding Rs. 100 Cr from 01st January 2021.
89/2020-Central Tax	29.11.2020	Seeks to waive penalty payable for non-compliance of the provisions of notification No.14/2020 – Central Tax, dated the 21st March, 2020.

Notification No.	Date	Subject
90/2020-Central Tax	01.12.2020	Seeks to make amendment to Notification no. 12/2017- Central Tax dated 28.06.2017.
91/2020-Central Tax	14.12.2020	Seeks to extend the due dates for compliances and actions in respect of anti-profiteering measures under GST till 31.03.2021.
92/2020-Central Tax	22.12.2020	Seeks to bring into force Sections 119,120,121,122,123,124,126,127 and 131 of Finance Act, 2020(12 of 2020).
93/2020-Central Tax	22.12.2020	Seeks to waive late fee for FORM GSTR-4 filing in UT of Ladakh for Financial year 2019-20.
94/2020-Central Tax	22.12.2020	Seeks to make the Fourteenth amendment (2020) to the CGST Rules.2017.
95/2020-Central Tax	30.12.2020	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 28.02.2021.
01/2021-Central Tax	01.01.2021	Seeks to make amendment (2021) to CGST Rules, 2017.
02/2021-Central Tax	12.01.2021	Notifying amendment to jurisdiction of Central Tax officers.
03/2021-Central Tax	23.02.2021	Seeks to notify persons to whom provisions of sub-section (6B) or sub-section (6C) of section 25 of CGST Act will not apply.
04/2021-Central Tax	28.02.2021	Seeks to extend the time limit for furnishing of the annual return specified under section 44 of CGST Act, 2017 for the financial year 2019-20 till 31.03.2021.
05/2021-Central Tax	08.03.2021	Seeks to implement e-invoicing for the taxpayers having aggregate turnover exceeding Rs. 50 Cr from 01st April 2021.

Integrated Tax Notifications

Notification No.	Date	Subject
01/2017-Integrated Tax	19-06-2017	Seeks to bring certain sections of the IGST Act, 2017 into force w.e.f. 22.06.2017

Notification No.	Date	Subject
02/2017-Integrated Tax	19-06-2017	Seeks to empower the Principal Commissioner of Central Tax, Bengaluru West to grant registration in case of online information and database access or retrieval services provided or agreed to be provided by a person located in non-taxable territory and received by a non-taxable online recipient.
03/2017-Integrated Tax	28-06-2017	Seeks to bring into force certain sections of the IGST Act, 2017 w.e.f 01.07.2017
04/2017-Integrated Tax	28-06-2017	Seeks to notify IGST Rules, 2017
05/2017-Integrated Tax	28-06-2017	Seeks to notify the number of HSN digits required on tax invoice
06/2017-Integrated Tax	28-06-2017	Seeks to prescribe rate of interest under CGST Act, 2017
07/2017-Integrated Tax	14-09-2017	Granting exemption from registration to job-workers making inter-State supply of services to a registered person from the requirement of obtaining registration
08/2017-Integrated Tax	14-09-2017	Granting exemption to a person making inter-State taxable supplies of handicraft goods from the requirement to obtain registration
09/2017-Integrated Tax	13-10-2017	Seeks to amend notification no. 8/2017-IT dated 14.09.2017 so as to add certain items to the list of "handicrafts goods"
10/2017-Integrated Tax	13-10-2017	Seeks to exempt persons making inter-State supplies of taxable services from registration under section 23(2)
11/2017-Integrated Tax	13-10-2017	Seeks to cross-empower State Tax officers for processing and grant of refund
12/2017-Integrated Tax	15-11-2017	Apportionment of IGST with respect to advertisement services under section 12 (14) of the IGST Act, 2017.

Notification No.	Date	Subject
01/2018-Integrated Tax	23-01-2018	Amendment of notification No. 11/2017-Integrated Tax dated 13.10.2017 for cross-empowerment of State tax officers for processing and grant of refund
02/2018-Integrated Tax	20-09-2018	Seeks to notify the rate of tax collection at source (TCS) to be collected by every electronic commerce operator for inter-State taxable supplies
03/2018-Integrated Tax	22-10-2018	Seeks to supersede Notification No.8/2017 – Integrated Tax, dated 14.09.2017
04/2018-Integrated Tax	31-12-2018	Seeks to amend the IGST Rules, 2017 so as to notify the rules for determination of place of supply in case of inter-State supply under sections 10(2), 12(3), 12(7), 12(11) and 13(7) of the IGST Act, 2017.
01/2019-Integrated Tax	29-01-2019	Seeks to bring into force the IGST (Amendment) Act, 2018
02/2019-Integrated Tax	29-01-2019	Seeks to amend notification No. 7/2017-Integrated Tax dated 14.09.2017 to align with the amended Annexure to Rule 138(14) of the CGST Rules, 2017.
03/2019-Integrated Tax	29-01-2019	Seeks to amend notification No. 10/2017-Integrated Tax dated 13.10.2017 in view of bringing into effect the amendments (to align Special Category States with the explanation in section 22 of CGST Act, 2017) in the GST Acts
04/2019-Integrated Tax	30-09-2019	Seeks to notify the place of supply of R&D services related to pharmaceutical sector as per Section 13(13) of IGST Act, as recommended by GST Council in its 37th meeting held on 20.09.2019.
01/2020-Integrated Tax	01-01-2020	Seeks to bring into force certain provisions of the Finance (No. 2) Act, 2019 to amend the IGST Act, 2017

Notification No.	Date	Subject
02/2020-Integrated Tax	26-02-2020	Seeks to amend Notification No. 4/2019-Integrated Tax dt. 30.09.2019 to change the place of supply for B2B MRO services to the location of the recipient.
03/2020-Integrated Tax	08-04-2020	Seeks to provide relief by conditional lowering of interest rate for tax periods of February, 2020 to April, 2020.
04/2020-Integrated Tax	24-06-2020	Seeks to bring into force Section 134 of Finance Act, 2020 in order to bring amendment to Section 25 of IGST Act w.e.f. 30.06.2020.
05/2020-Integrated Tax	24-06-2020	Seeks to provide relief by lowering of interest rate for a prescribed time for tax periods from February, 2020 to July, 2020.
06/2020-Integrated Tax	15-10-2020	Seeks to notify the number of HSN digits required on tax invoice.

Union Territory Tax Notifications

Notification No.	Date	Subject
01/2017-Union Territory Tax	21-06-2017	Notifies Union Territory Tax Act Sections 1 to 5, 17, 21 & 22 came into force
02/2017-Union Territory Tax	27-06-2017	Seeks to notify the turnover limit for Composition Levy for Union Territory Tax
03/2017-Union Territory Tax	28-06-2017	Seeks to appoints the 1st day of July, 2017, as the date on which the provisions of sections 6 to 16, 18 to 20 and 23 to 26 of Union Territory Goods and Services Tax Act, 2017 (14 of 2017) shall come into force.
04/2017-Union Territory Tax	30-06-2017	Notifies www.gst.gov.in as the electronic portal for GST
05/2017-Union Territory Tax	30-06-2017	Union Territory Tax (Andaman & Nicobar Islands) Rules, 2017
06/2017-Union Territory Tax	30-06-2017	Notifies Union Territory Tax (Chandigarh) Rules, 2017
07/2017-Union Territory Tax	30-06-2017	Notifies Union Territory Tax (Dadra and Nagar Haveli) Rules, 2017

Notification No.	Date	Subject
08/2017-Union Territory Tax	30-06-2017	Notifies Union Territory Tax (Daman & Diu) Rules, 2017
09/2017-Union Territory Tax	30-06-2017	Notifies Union Territory Tax (Lakshadweep) Rules, 2017
10/2017-Union Territory Tax	30-06-2017	Notifies Fixing of rate of interest per annum
11/2017-Union Territory Tax	30-06-2017	Notifies Number of Digits of harmonised System of Nomenclature Code for Andaman & Nicobar Islands
12/2017-Union Territory Tax	30-06-2017	Notifies Number of Digits of harmonised System of Nomenclature Code for Chandigarh
13/2017-Union Territory Tax	30-06-2017	Notifies Number of Digits of harmonised System of Nomenclature Code for Dadra & Nagar Haveli
14/2017-Union Territory Tax	30-06-2017	Notifies Number of Digits of harmonised System of Nomenclature Code for Daman & Diu
15/2017-Union Territory Tax	30-06-2017	Notifies Number of Digits of harmonised System of Nomenclature Code for Lakshadweep
16/2017-Union Territory Tax	13-10-2017	Seeks to amend notification No. 2/2017-Union Territory Tax.
17/2017-Union Territory Tax	24-10-2017	Notifications issued under CGST Act are extended to Union Territory Tax Act
01/2018-Union Territory Tax	01-01-2018	Union Territory Tax seeks to further amend notification No. 2/2017 - Union Territory Tax so as to prescribe effective rate of tax under composition scheme for manufacturers and other suppliers.
02/2018-Union Territory Tax	31-03-2018	Notification regarding E-way Bill in Union Territory of Andaman and Nicobar Islands
03/2018-Union Territory Tax	31-03-2018	Notification regarding E-way Bill in Union Territory of Chandigarh
04/2018-Union Territory Tax	31-03-2018	Notification regarding E-way Bill in Union Territory of Dadra and Nagar Haveli
05/2018-Union Territory Tax	31-03-2018	Notification regarding E-way Bill in Union Territory of Daman and Diu

Notification No.	Date	Subject
06/2018-Union Territory Tax	31-03-2018	Notification regarding E-way Bill in Union Territory of Lakshadweep
07/2018-Union Territory Tax	18-05-2018	-
08/2018-Union Territory Tax	18-05-2018	-
09/2018-Union Territory Tax	18-05-2018	-
10/2018-Union Territory Tax	21-05-2018	Notifications regarding E-way bill in Union Territories (without legislature)
11/2018-Union Territory Tax	21-05-2018	Notifications regarding E-way bill in Union Territories (without legislature)
12/2018-Union Territory Tax	28-09-2018	Seeks to notify the rate of tax collection at source (TCS) to be collected by every electronic commerce operator for intra-union territory (without legislature) taxable supplies.
13/2018-Union Territory Tax	28-09-2018	Seeks to notify the rate of tax collection at source (TCS) to be collected by every electronic commerce operator for inter-union territory (without legislature) taxable supplies.
14/2018-Union Territory Tax	08-10-2018	Seeks to notify the constitution of the Authority for Advance Ruling in the Union Territories (without legislature).
15/2018-Union Territory Tax	08-10-2018	Seeks to notify the constitution of the Appellate Authority for Advance Ruling in the Union Territories (without legislature).
01/2019-Union Territory Tax	29-01-2019	Seeks to bring into force the UTGST (Amendment) Act, 2018
02/2019-Union Territory Tax	07-03-2019	To give exemption from registration for any person engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed Rs 40 lakhs.
01/2020-Union Territory Tax	08-04-2020	Seeks to provide relief by conditional lowering of interest rate for tax periods of February, 2020 to April, 2020.

Notification No.	Date	Subject
02/2020-Union Territory Tax	24-06-2020	Seeks to provide relief by lowering of interest rate for a prescribed time for tax periods from February, 2020 to July, 2020.

Compensation Cess Tax Notifications

Notification No.	Date	Subject
01/2017-Compensation Cess	28-06-2017	Seeks to appoint the 1st day of July, 2017, as the date on which all the provisions of Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017) shall come into force
01/2019-Compensation Cess	29-01-2019	Seeks to bring into force the GST (Compensation to States) Amendment Act, 2018

LIST OF TARIFF NOTIFICATIONS

Central Tax (Rate) Notifications

Notification No.	Date	Subject
01/2017-Central Tax (Rate)	28-06-2017	CGST Rate Schedule notified under section 9 (1)
02/2017-Central Tax (Rate)	28-06-2017	CGST exempt goods notified under section 11 (1)
03/2017-Central Tax (Rate)	28-06-2017	2.5% concessional CGST rate for supplies to Exploration and Production notified under section 11 (1)
04/2017-Central Tax (Rate)	28-06-2017	Reverse charge on certain specified supplies of goods under section 9 (3)
05/2017-Central Tax (Rate)	28-06-2017	Supplies of goods in respect of which no refund of unutilised input tax credit shall be allowed under section 54 (3)
06/2017-Central Tax (Rate)	28-06-2017	Refund of 50% of CGST on supplies to CSD under section 55
07/2017-Central Tax (Rate)	28-06-2017	Exemption from CGST supplies by CSD to Unit Run Canteens and supplies by CSD / Unit Run Canteens to authorised customers notified under section 11 (1) and section 55 CSD
08/2017-Central Tax (Rate)	28-06-2017	CGST exemption from reverse charge upto Rs.5000 per day under section 11 (1)
09/2017-Central Tax (Rate)	28-06-2017	Exempting supplies to a TDS deductor by a supplier, who is not registered, under section 11 (1)
10/2017-Central Tax (Rate)	28-06-2017	CGST exemption for dealers operating under Margin Scheme notified under section 11 (1)
11/2017-Central Tax (Rate)	28-06-2017	To notify the rates for supply of services under CGST Act
12/2017-Central Tax (Rate)	28-06-2017	To notify the exemptions on supply of services under CGST Act
13/2017-Central Tax (Rate)	28-06-2017	To notify the categories of services on which tax will be payable under reverse charge mechanism under CGST Act

Notification No.	Date	Subject
14/2017-Central Tax (Rate)	28-06-2017	To notify the supplies which shall be treated neither as a supply of goods nor a supply of service under the CGST Act
15/2017-Central Tax (Rate)	28-06-2017	To notify the supplies not eligible for refund of unutilized ITC under CGST Act
16/2017-Central Tax (Rate)	28-06-2017	To notify specialised agencies entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them under CGST Act
17/2017-Central Tax (Rate)	28-06-2017	To notify the categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator
18/2017-Central Tax (Rate)	30-06-2017	Seek to reduce the rate of Central Tax, Union Territory Tax, on fertilisers from 6% to 2.5% and Integrated Tax rate on fertilisers from 12% to 5%
19/2017-Central Tax (Rate)	18-08-2017	Seeks to reduce CGST rate on specified parts of tractors from 14% to 9 %
20/2017-Central Tax (Rate)	22-08-2017	<i>Seeks to amend notification No. 11/2017-CT(R) to reduce CGST rate on specified supplies of Works Contract Services, job work for textile & textile products, printing service of books, newspapers etc, admission to planetarium, and, also to provide option to GTA & transport of passengers by motorcab service providers to avail full ITC & discharge CGST @ 6%</i>
21/2017-Central Tax (Rate)	22-08-2017	Seeks to amend notification No. 12/2017-CT(R) to exempt services provided by Fair Price Shops to Government and those provided by and to FIFA for FIFA U-17. Also to substitute RWCIS & PMFBY for MNAIS & NAIS, and insert explanation for LLP.
22/2017-Central Tax (Rate)	22-08-2017	Seeks to amend notification No. 13/2017-CT(R) to amend RCM provisions for GTA and to insert explanation for LLP.

Notification No.	Date	Subject
23/2017-Central Tax (Rate)	22-08-2017	Seeks to amend notification No. 17/2017-CT(R) to make ECO responsible for payment of GST on services provided by way of house-keeping such as plumbing, carpentering etc.
24/2017-Central Tax (Rate)	21-09-2017	Seeks to amend notification No. 11/2017-CT(R) to reduce CGST rate on specified supplies of Works Contract Services.
25/2017-Central Tax (Rate)	21-09-2017	Seeks to amend notification No. 12/2017-CT(R) to exempt right to admission to the events organised under FIFA U-17 World Cup 2017.
26/2017-Central Tax (Rate)	21-09-2017	Exempt certain supplies to NPCIL.
27/2017-Central Tax (Rate)	22-09-2017	Seeks to amend notification no. 1/2017-central tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst rates.
28/2017-Central Tax (Rate)	22-09-2017	Seeks to amend notification no. 2/2017-central tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst exemptions.
29/2017-Central Tax (Rate)	22-09-2017	Seeks to amend notification no. 5/2017-central tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding restriction of refund on corduroy fabrics.
30/2017-Central Tax (Rate)	29-09-2017	Exempting supply of services associated with transit cargo to Nepal and Bhutan.
31/2017-Central Tax (Rate)	13-10-2017	Seeks to amend notification No. 11/2017-CT(R).
32/2017-Central Tax (Rate)	13-10-2017	Seeks to amend notification No. 12/2017-CT®
33/2017-Central Tax (Rate)	13-10-2017	Seeks to amend notification No. 13/2017-CT(R) regarding services provided by Overseeing Committee members to RBI under RCM.

Notification No.	Date	Subject
34/2017-Central Tax (Rate)	13-10-2017	The notification No. 34/2017-Central Tax (Rate) seeks to amend notification No. 1/2017-Central Tax (Rate).
35/2017-Central Tax (Rate)	13-10-2017	Seeks to amend notification No. 2/2017-Central Tax (Rate).
36/2017-Central Tax (Rate)	13-10-2017	Seeks to amend notification No. 4/2017-Central Tax (Rate).
37/2017-Central Tax (Rate)	13-10-2017	Seeks to prescribe Central Tax rate on the leasing of motor vehicles.
38/2017-Central Tax (Rate)	13-10-2017	Seeks to exempt payment of tax under section 9(4) of the CGST Act, 2017 till 31.03.2018
39/2017-Central Tax (Rate)	18-10-2017	Seeks to reduce GST rate on Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government.
40/2017-Central Tax (Rate)	23-10-2017	Seeks to prescribe Central Tax rate of 0.05% on intra-State supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions.
41/2017-Central Tax (Rate)	14-11-2017	seeks to amend notification no. 1/2017-Central tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst rates.
42/2017-Central Tax (Rate)	14-11-2017	seeks to amend notification no. 2/2017-Central tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst exemptions
43/2017-Central Tax (Rate)	14-11-2017	seeks to amend notification no. 4/2017-Central tax(rate) dated 28.06.2017 to give effect to gst council decision regarding reverse charge on raw cotton.

Notification No.	Date	Subject
44/2017-Central Tax (Rate)	14-11-2017	seeks to amend notification no. 5/2017-Central tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding restriction of ITC on certain fabrics.
45/2017-Central Tax (Rate)	14-11-2017	seeks to provide concessional GST rate of 2.5% on scientific and technical equipments supplied to public funded research institutions.
46/2017-Central Tax (Rate)	14-11-2017	Seeks to amend notification No. 11/2017-CT(R) so as to specify rate @ 2.5% for standalone restaurants and @9% for other restaurants, reduce rate of job work on "handicraft goods" @ 2.5% and to substitute "Services provided" in item (vi) against Sl No. 3 in table.
47/2017-Central Tax (Rate)	14-11-2017	Seeks to amend notification No. 12/2017-CT(R) so as to extend exemption to admission to "protected monument" and to consolidate entry at Sl. No. 11A & 11B.
01/2018-Central Tax (Rate)	25-01-2018	Seeks to amend notification No. 11/2017-Central Tax (Rate) so as to notify CGST rates of various services as recommended by Goods and Services Tax Council in its 25th meeting held on 18.01.2018.
02/2018-Central Tax (Rate)	25-01-2018	Seeks to amend notification No. 12/2017-Central Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 25th meeting held on 18.01.2018.
03/2018-Central Tax (Rate)	25-01-2018	Seeks to amend notification No. 13/2017-Central Tax (Rate) so as to specify services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a registered person under CGST Act, 2017 to be taxed under Reverse Charge Mechanism (RCM).

Notification No.	Date	Subject
04/2018-Central Tax (Rate)	25-01-2018	Seeks to provide special procedure with respect to payment of tax by registered person supplying service by way of construction against transfer of development right and vice versa.
05/2018-Central Tax (Rate)	25-01-2018	Seeks to exempt Central Government's share of Profit Petroleum from Central tax
06/2018-Central Tax (Rate)	25-01-2018	Seeks to amend Notification No.1/2017-CGST (Rate).
07/2018-Central Tax (Rate)	25-01-2018	Seeks to amend Notification No.2/2017-CGST (Rate).
08/2018-Central Tax (Rate)	25-01-2018	Seeks to amend Notification No.1/2017-CGST (Rate).
09/2018-Central Tax (Rate)	25-01-2018	Seeks to amend Notification No.45/2017-CGST (Rate).
10/2018-Central Tax (Rate)	23-03-2018	Seeks to exempt payment of tax under section 9(4) of the CGST Act, 2017 till 30.06.2018.
11/2018-Central Tax (Rate)	28-05-2018	Seeks to amend notification No. 04/2017-Central Tax (Rate) dated 28.06.2017 so as to notify levy of Priority Sector Lending Certificate (PSLC) under Reverse Charge Mechanism (RCM)
12/2018-Central Tax (Rate)	29-06-2018	Seeks to exempt payment of tax under section 9(4) of the CGST Act, 2017 till 30.09.2018.
13/2018-Central Tax (Rate)	26-07-2018	Seeks to amend notification No. 11/2017-Central Tax (Rate) so as to notify CGST rates of various services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
14/2018-Central Tax (Rate)	26-07-2018	Seeks to amend notification No. 12/2017-Central Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018

Notification No.	Date	Subject
15/2018-Central Tax (Rate)	26-07-2018	Seeks to amend notification No. 13/2017-Central Tax (Rate) so as to specify services supplied by individual Direct Selling Agents (DSAs) to banks/ non-banking financial company (NBFCs) to be taxed under Reverse Charge Mechanism (RCM).
16/2018-Central Tax (Rate)	26-07-2018	Seeks to amend notification No. 14/2017-Central Tax (Rate) to notify that services by way of any activity in relation to a function entrusted to a municipality under Article 243W shall be treated neither as a supply of good nor a service.
17/2018-Central Tax (Rate)	26-07-2018	Seeks to insert explanation in an item in notification No. 11/2017 – Central Tax (Rate) by exercising powers conferred under section 11(3) of CGST Act, 2017.
18/2018-Central Tax (Rate)	26-07-2018	Seeks to amend Notification No. 01/2017-Central Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
19/2018-Central Tax (Rate)	26-07-2018	Seeks to amend Notification No. 02/2017-Central Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
20/2018-Central Tax (Rate)	26-07-2018	Seeks to amend Notification No 05/2017-Central Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
21/2018-Central Tax (Rate)	26-07-2018	Seeks to prescribe concessional CGST rate on specified handicraft items, to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018

Notification No.	Date	Subject
22/2018-Central Tax (Rate)	06-08-2018	Seeks to exempt payment of tax under section 9(4) of the CGST Act, 2017 till 30.09.2019.
23/2018-Central Tax (Rate)	20-09-2018	Seeks to insert explanation in an entry in notification No. 12/2017 – Central Tax (Rate) by exercising powers conferred under section 11(3) of CGST Act, 2017.
24/2018-Central Tax (Rate)	31-12-2018	Seeks to further amend notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 to change GST rates on goods as per recommendations of the GST Council in its 31st meeting.
25/2018-Central Tax (Rate)	31-12-2018	Seeks to further amend notification No. 2/2017-Central Tax (Rate) dated 28.06.2017 to exempt GST on goods as per recommendations of the GST Council in its 31st meeting.
26/2018-Central Tax (Rate)	31-12-2018	seeks to exempt central tax on supply of gold by nominated agencies to registered persons.
27/2018-Central Tax (Rate)	31-12-2018	Seeks to amend notification No. 11/2017-Central Tax (Rate) so as to notify CGST rates of various services as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.
28/2018-Central Tax (Rate)	31-12-2018	Seeks to amend notification No. 12/2017-Central Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.
29/2018-Central Tax (Rate)	31-12-2018	Seeks to amend notification No. 13/2017-Central Tax (Rate) so as to specify services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.

Notification No.	Date	Subject
30/2018-Central Tax (Rate)	31-12-2018	Seeks to insert explanation in an item in notification No. 11/2017 – Central Tax (Rate) by exercising powers conferred under section 11(3) of CGST Act, 2017.
01/2019-Central Tax (Rate)	29-01-2019	Seeks to rescind notification No. 32/2017 - Integrated Tax (Rate) dated 13.10.2017 in view of bringing into effect the amendments (regarding RCM on supplies by unregistered persons) in the GST Acts
02/2019-Central Tax (Rate)	07-03-2019	To give composition scheme for supplier of services with a tax rate of 6% having annual turn over in preceding year upto Rs 50 lakhs.
03/2019-Central Tax (Rate)	29-03-2019	Seeks to amend notification No. 11/2017-Central Tax (Rate) so as to notify CGST rates of various services as recommended by Goods and Services Tax Council for real estate sector.
04/2019-Central Tax (Rate)	29-03-2019	Seeks to amend notification No. 12/2017-Central Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council for real estate sector.
05/2019-Central Tax (Rate)	29-03-2019	Seeks to amend notification No. 13/2017-Central Tax (Rate) so as to specify services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council for real estate sector.
06/2019-Central Tax (Rate)	29-03-2019	Seeks to notify certain class of persons by exercising powers conferred under section 148 of CGST Act, 2017.
07/2019-Central Tax (Rate)	29-03-2019	Seeks to notify certain services to be taxed under RCM under section 9(4) of CGST Act as recommended by Goods and Services Tax Council for real estate sector.
08/2019-Central Tax (Rate)	29-03-2019	Seeks to amend notification No. 1/2017-Central Tax (Rate) so as to notify CGST rate of certain goods as recommended by Goods and Services Tax Council for real estate sector.

Notification No.	Date	Subject
09/2019-Central Tax (Rate)	29-03-2019	Seeks to amend notification No. 02/2019-Central Tax (Rate) so as to provide for application of Composition rules to persons opting to pay tax under notification no. 2/2019- Central Tax (Rate).
10/2019-Central Tax (Rate)	10-05-2019	To amend notification No. 11/ 2017- Central Tax (Rate) so as to extend the last date for exercising the option by promoters to pay tax at the old rates of 12%/ 8% with ITC
11/2019-Central Tax (Rate)	29-06-2019	Seeks to specifies retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund.
12/2019-Central Tax (Rate)	31-07-2019	which seeks to reduce the GST rate on Electric Vehicles, and charger or charging stations for Electric vehicles .
13/2019-Central Tax (Rate)	31-07-2019	which seeks to exempt the hiring of Electric buses by local authorities from GST.
14/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No 1/2017- Central Tax (Rate) dated 28.6.2017 so as to specify effective CGST rates for specified goods, to give effect to the recommendations of the GST Council in its 37th meeting dated 20.09.2019.
15/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No 2/2017- Central Tax (Rate) dated 28.6.2017 so as to grant exemption to dried tamarind and cups, plates made of leaves, bark and flowers of plants.
16/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No 3/2017- Central Tax (Rate) dated 28.6.2017 so as to extend concessional CGST rates to specified projects under HELP/OALP, and other changes.

Notification No.	Date	Subject
17/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No 26/2018- Central Tax (Rate) dated 31.12.2018, so as to exempt CGST on supplies of silver and platinum by nominated agencies to registered persons.
18/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No 2/2019- Central Tax (Rate) dated 7.3.2019 so as to exclude manufacturers of aerated waters from the purview of composition scheme.
19/2019-Central Tax (Rate)	30-09-2019	Seeks to exempt supply of goods for specified projects under FAO.
20/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No. 11/2017- Central Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 37th meeting held on 20.09.2019.
21/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No. 12/2017- Central Tax (Rate) to exempt services as recommended by GST Council in its 37th meeting held on 20.09.2019.
22/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No. 13/2017- Central Tax (Rate) so as to notify services under reverse charge mechanism (RCM) as recommended by GST Council in its 37th meeting held on 20.09.2019.
23/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No. 4/2018 - Central Tax (Rate), dated the 25th January, 2018, by adding an explanation on the applicability of provisions related to supply of development rights.
24/2019-Central Tax (Rate)	30-09-2019	Seeks to amend notification No. 7/2019 - Central Tax (Rate), dated the 29th March, 2019 by amending the entry related to cement.
25/2019-Central Tax (Rate)	30-09-2019	Seeks to notify the grant of alcoholic liquor licence neither a supply of goods nor a supply of service as per Section 7(2) of CGST Act, 2017.

Notification No.	Date	Subject
26/2019-Central Tax (Rate)	22-11-2019	Seeks to insert explanation regarding Bus Body Building in Notification No. 11/2017-Central Tax (Rate) dt. 28.06.2017.
27/2019-Central Tax (Rate)	30-12-2019	Seeks to further amend notification No. 01/2017-Central Tax (Rate), to change the rate of GST on goods as per recommendations of the GST Council in its 38th Meeting.
28/2019-Central Tax (Rate)	31-12-2019	To amend notification No. 12/ 2017- Central Tax (Rate) so as to exempt certain services as recommended by GST Council in its 38th meeting held on 18.12.2019.
29/2019-Central Tax (Rate)	31-12-2019	To amend notification No. 13/ 2017- Central Tax (Rate) so as to notify certain services under reverse charge mechanism (RCM) as recommended by GST Council in its 38th meeting held on 18.12.2019.
01/2020-Central Tax (Rate)	21-02-2020	Seeks to amend Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 so as to notify rate of GST on supply of lottery.
02/2020-Central Tax (Rate)	26-03-2020	Seeks to amend Notification No. 11/2017-CT(R) dt. 28.06.2017 reducing CGST rate on Maintenance, Repair and Overhaul (MRO) services in respect of aircraft from 18% to 5% with full ITC
03/2020-Central Tax (Rate)	25-03-2020	Seeks to amend Notification No. 1/2017-CT(R) to prescribe change in CGST rate of goods.
04/2020-Central Tax (Rate)	30-09-2020	Extension of CGST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India, by one year i.e. upto 30.09.2021.
05/2020-Central Tax (Rate)	16-10-2020	To amend notification No. 12/ 2017- Central Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42nd meeting held on 05.10.2020.

Integrated Tax (Rate) Notifications

Notification No.	Date	Subject
1/2017-Integrated Tax-(Rate)	28-06-2017	Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the rate of the integrated tax.
2/2017-Integrated Tax-(Rate)	28-06-2017	Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the rate of the integrated tax
3/2017-Integrated Tax-(Rate)	28-06-2017	Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby notifies the rate of the integrated tax
4/2017-Integrated Tax-(Rate)	28-06-2017	Reverse charge on certain specified supplies of goods under section 5 (3)
5/2017-Integrated Tax-(Rate)	28-06-2017	Supplies of goods in respect of which no refund of unutilised input tax credit shall be allowed
6/2017-Integrated Tax-(Rate)	28-06-2017	Notification prescribing refund of 50% of IGST on supplies to CSD under section 20
7/2017-Integrated Tax-(Rate)	28-06-2017	Exemption from IGST supplies by CSD to Unit Run Canteens and supplies by CSD / Unit Run Canteens to authorised customers under section 6 (1)
8/2017-Integrated Tax-(Rate)	28-06-2017	To notify the rates for supply of services under IGST Act
9/2017-Integrated Tax-(Rate)	28-06-2017	To notify the exemptions on supply of services under IGST Act
10/2017-Integrated Tax-(Rate)	28-06-2017	To notify the categories of services on which integrated tax will be payable under reverse charge mechanism under IGST Act

Notification No.	Date	Subject
11/2017-Integrated Tax-(Rate)	28-06-2017	To notify the supplies which shall be treated neither as a supply of goods nor a supply of service under the IGST Act
12/2017-Integrated Tax-(Rate)	28-06-2017	To notify the supplies not eligible for refund of unutilized ITC under IGST Act
13/2017-Integrated Tax-(Rate)	28-06-2017	To notify specialised agencies entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them under IGST Act
14/2017-Integrated Tax-(Rate)	28-06-2017	To notify the categories of services the tax on inter-State supplies of which shall be paid by the electronic commerce operator
15/2017-Integrated Tax-(Rate)	30-06-2017	Notification for Exemption from Integrated Tax to SEZ
16/2017-Integrated Tax-(Rate)	30-06-2017	Seek to reduce the rate of Central Tax, Union Territory Tax, on fertilisers from 6% to 2.5% and Integrated Tax rate on fertilisers from 12% to 5%
17/2017-Integrated Tax-(Rate)	05-07-2017	Rescinding Notification No.15/2017-Integrated Tax (Rate) dated 30.06.2017
18/2017-Integrated Tax-(Rate)	05-07-2017	IGST exemption to SEZs on import of Services by a unit/developer in an SEZ
19/2017-Integrated Tax-(Rate)	18-08-2017	Seeks to reduce IGST rate on specified parts of tractors from 28% to 18 %.
20/2017-Integrated Tax-(Rate)	22-08-2017	Seeks to amend notification No. 08/2017-IT(R) to reduce IGST rate on specified supplies of Works Contract Services, job work for textile & textile products, printing service of books, newspapers etc, admission to planetarium, and, also to provide option to GTA & transport of passengers by motorcab service providers to avail full ITC & discharge IGST @ 12%

Notification No.	Date	Subject
21/2017-Integrated Tax-(Rate)	22-08-2017	Seeks to amend notification No. 09/2017-IT(R) to exempt services provided by Fair Price Shops to Government and those provided by and to FIFA for FIFA U-17. Also to substitute RWCIS & PMFBY for MNAIS & NAIS, and insert explanation for LLP.
22/2017-Integrated Tax-(Rate)	22-08-2017	Seeks to amend notification No. 10/2017-IT(R) to amend RCM provisions for GTA and to insert explanation for LLP.
23/2017-Integrated Tax-(Rate)	22-08-2017	Seeks to amend notification No. 14/2017-IT(R) to make ECO responsible for payment of GST on services provided by way of house-keeping such as plumbing, carpentering etc.
24/2017-Integrated Tax-(Rate)	21-09-2017	Seeks to amend notification No. 08/2017-IT(R) to reduce CGST rate on specified supplies of Works Contract Services.
25/2017-Integrated Tax-(Rate)	21-09-2017	Seeks to amend notification No. 09/2017-IT(R) to exempt right to admission to the events organised under FIFA U-17 World Cup 2017.
26/2017-Integrated Tax-(Rate)	21-09-2017	Exempt certain supplies to NPCIL
27/2017-Integrated Tax-(Rate)	22-09-2017	Seeks to amend notification no. 1/2017-integrated tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst rates
28/2017-Integrated Tax-(Rate)	22-09-2017	Seeks to amend notification no. 2/2017-integrated tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst exemptions.
29/2017-Integrated Tax-(Rate)	22-09-2017	Seeks to amend notification no. 5/2017-integrated tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding restriction of refund on corduroy fabrics.

Notification No.	Date	Subject
30/2017-Integrated Tax-(Rate)	22-09-2017	seeks to exempt Skimmed milk powder, or concentrated milk
31/2017-Integrated Tax-(Rate)	29-09-2017	Exempting supply of services associated with transit cargo to Nepal and Bhutan.
32/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to exempt payment of tax under section 5(4) of the IGST Act, 2017 till 31.03.2018.
33/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to amend notification No. 9/2017-IT(R) .
34/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to amend notification No. 10/2017-IT(R) regarding services provided by Overseeing Committee members to RBI under RCM.
35/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to amend notification No. 1/2017-Integrated Tax (Rate).
36/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to amend notification No. 2/2017-Integrated Tax (Rate).
37/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to amend notification No. 4/2017-Integrated Tax (Rate)
38/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to prescribe Integrated Tax rate on the leasing of motor vehicles
39/2017-Integrated Tax-(Rate)	13-10-2017	Seeks to amend notification No. 8/2017-Integrated Tax (Rate).

Notification No.	Date	Subject
40/2017-Integrated Tax-(Rate)	18-10-2017	Seeks to reduce GST rate on Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government
41/2017-Integrated Tax-(Rate)	23-10-2017	Seeks to prescribe Integrated Tax rate of 0.1% on inter-State supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions.
42/2017-Integrated Tax-(Rate)	27-10-2017	Seeks to amend notification No. 9/2017-Integrated Tax (Rate) so as to exempt IGST on inter-state supply of services to Nepal and Bhutan against payment in INR.
43/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to amend notification no. 1/2017-Integrated tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst rates.
44/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to amend notification no. 2/2017-Integrated tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst exemptions
45/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to amend notification no. 4/2017-Integratedtax(rate) dated 28.06.2017 to give effect to gst council decision regarding reverse charge on raw cotton.
46/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to amend notification no. 5/2017-Integrated tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding restriction of ITC on certain fabrics.
47/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to provide concessional GST rate of 5% on scientific and technical equipments supplied to public funded research institutions.

Notification No.	Date	Subject
48/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to amend notification No. 8/2017-IT(R) so as to specify rate @5% for standalone restaurants and @18% for other restaurants, reduce rate of job work on “handicraft goods” @ 5% and to substitute “Services provided” in item (vi) against Sl No. 3 in table.
49/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to amend notification No. 9/2017-IT(R) so as to extend exemption to admission to “protected monument” and to consolidate entry at Sl. No. 12A & 12B.
50/2017-Integrated Tax-(Rate)	14-11-2017	Seeks to amend notification No. 30/2017-Integrated Tax (Rate) dated 22.09.2017, so as to extend the benefit of IGST exemption, applicable in relation to supply of Skimmed milk powder, or concentrated milk for use in the production of milk distributed through dairy co-operatives to the companies that are registered under the Companies Act, 2013 also.
01/2018-Integrated Tax (Rate)	25-01-2018	Seeks to amend notification No. 8/2017-Integrated Tax (Rate) so as to notify IGST rates of various services as recommended by Goods and Services Tax Council in its 25th meeting held on 18.01.2018.
02/2018-Integrated Tax (Rate)	25-01-2018	Seeks to amend notification No. 9/2017-Integrated Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 25th meeting held on 18.01.2018.
03/2018-Integrated Tax (Rate)	25-01-2018	Seeks to amend notification No. 10/2017-Central Tax (Rate) so as to specify services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a registered person under CGST Act, 2017 to be taxed under Reverse Charge Mechanism (RCM).

Notification No.	Date	Subject
04/2018-Integrated Tax (Rate)	25-01-2018	Seeks to provide special procedure with respect to payment of tax by registered person supplying service by way of construction against transfer of development right and vice versa.
05/2018-Integrated Tax (Rate)	25-01-2018	Seeks to exempt Central Government's share of Profit Petroleum from Integrated tax
06/2018-Integrated Tax (Rate)	25-01-2018	Seeks to exempt royalty and license fee from Integrated tax to the extent it is paid on the consideration attributable to royalty and license fee included in transaction value under Rule 10(1)(c) of Customs Valuation (Determination of value of imported Goods) Rules, 2007
07/2018-Integrated Tax (Rate)	25-01-2018	seeks to amend Notification No.1/2017-IGST (Rate).
08/2018-Integrated Tax (Rate)	25-01-2018	seeks to amend Notification No.2/2017-IGST (Rate).
09/2018-Integrated Tax (Rate)	25-01-2018	seeks to amend Notification No.1/2017-IGST (Rate).
10/2018-Integrated Tax (Rate)	25-01-2018	seeks to amend Notification No.47/2017-IGST (Rate).
11/2018-Integrated Tax (Rate)	23-03-2018	Seeks to exempt payment of tax under section 5(4) of the IGST Act, 2017 till 30.06.2018.
12/2018-Integrated Tax (Rate)	28-05-2018	Seeks to amend notification No. 04/2017-Integrated Tax (Rate) dated 28.06.2017 so as to notify levy of Priority Sector Lending Certificate (PSLC) under Reverse Charge Mechanism (RCM).

Notification No.	Date	Subject
13/2018-Integrated Tax (Rate)	29-06-2018	Seeks to exempt payment of tax under section 5(4) of the IGST Act, 2017 till 30.09.2018.
14/2018-Integrated Tax (Rate)	26-07-2018	Seeks to amend notification No. 8/2017-Integrated Tax (Rate) so as to notify IGST rates of various services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
15/2018-Integrated Tax (Rate)	26-07-2018	Seeks to amend notification No. 9/2017-Integrated Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
16/2018-Integrated Tax (Rate)	26-07-2018	Seeks to amend notification No. 10/2017-Integrated Tax (Rate) so as to specify services supplied by individual Direct Selling Agents (DSAs) to banks/ non-banking financial company (NBFCs) to be taxed under Reverse Charge Mechanism (RCM).
17/2018-Integrated Tax (Rate)	26-07-2018	Seeks to amend notification No. 11/2017-Integrated Tax (Rate) to notify that services by way of any activity in relation to a function entrusted to a municipality under Article 243W shall be treated neither as a supply of good nor a service.
18/2018-Integrated Tax (Rate)	26-07-2018	Seeks to insert explanation in an item in notification No. 8/2017 - Integrated Tax (Rate) by exercising powers conferred under section 6(3) of IGST Act, 2017.
19/2018-Integrated Tax (Rate)	26-07-2018	Seeks to amend Notification 01/2017-Integrated Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
20/2018-Integrated Tax (Rate)	26-07-2018	Seeks to amend Notification 02/2017-Integrated Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018

Notification No.	Date	Subject
21/2018-Integrated Tax (Rate)	26-07-2018	Seeks to amend Notification 05/2017-Integrated Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
22/2018-Integrated Tax (Rate)	26-07-2018	Seeks to prescribe concessional IGST rate on specified handicraft items, to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
23/2018-Integrated Tax (Rate)	06-08-2018	Seeks to exempt payment of tax under section 5(4) of the IGST Act, 2017 till 30.09.2019.
24/2018-Integrated Tax (Rate)	20-09-2018	Seeks to insert explanation in an entry in notification No. 9/2017 - Integrated Tax (Rate) by exercising powers conferred under section 6(3) of IGST Act, 2017.
25/2018-Integrated Tax (Rate)	31-12-2018	Seeks to further amend notification No. 1/2017-Integrated Tax (Rate) dated 28.06.2017 to change GST rates on goods as per recommendations of the GST Council in its 31st meeting.
26/2018-Integrated Tax (Rate)	31-12-2018	Seeks to further amend notification No. 2/2017-Integrated Tax (Rate) dated 28.06.2017 to exempt GST on goods as per recommendations of the GST Council in its 31st meeting.
27/2018-Integrated Tax (Rate)	31-12-2018	seeks to exempt integrated tax on supply of gold by nominated agencies to registered persons.
28/2018-Integrated Tax (Rate)	31-12-2018	Seeks to amend notification No. 8/2017-Integrated Tax (Rate) so as to notify IGST rates of various services as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.

Notification No.	Date	Subject
29/2018-Integrated Tax (Rate)	31-12-2018	Seeks to amend notification No. 9/2017-Integrated Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.
30/2018-Integrated Tax (Rate)	31-12-2018	Seeks to amend notification No. 10/2017-Integrated Tax (Rate) so as to specify services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.
31/2018-Integrated Tax (Rate)	31-12-2018	seeks to insert explanation in an item in notification No. 8/2017 – Central Tax (Rate) by exercising powers conferred under section 11(3) of CGST Act, 2017.
01/2019-Integrated Tax (Rate)	29-01-2019	Seeks to rescind notification No. 32/2017 - Integrated Tax (Rate) dated 13.10.2017 in view of bringing into effect the amendments (regarding RCM on supplies by unregistered persons) in the GST Acts
02/2019-Integrated Tax (Rate)	04-02-2019	Seeks to rescind Sl. No. 10D of Notification No. 09/2017-Integrated Tax (Rate) dated 28.06.2017 in relation to exemption of IGST on supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees.
03/2019-Integrated Tax (Rate)	29-03-2019	Seeks to amend notification No. 8/2017-Integrated Tax (Rate) so as to notify IGST rates of various services as recommended by Goods and Services Tax Council for real estate sector.
04/2019-Integrated Tax (Rate)	29-03-2019	Seeks to amend notification No. 9/2017-Integrated Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council for real estate sector.

Notification No.	Date	Subject
05/2019-Integrated Tax (Rate)	29-03-2019	Seeks to amend notification No. 10/2017-Integrated Tax (Rate) so as to specify services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council for real estate sector.
06/2019-Integrated Tax (Rate)	29-03-2019	Seeks to notify certain class of persons by exercising powers conferred under section 148 of CGST Act, 2017.
07/2019-Integrated Tax (Rate)	29-03-2019	Seeks to notify certain services to be taxed under RCM under section 5(4) of IGST Act as recommended by Goods and Services Tax Council for real estate sector.
08/2019-Integrated Tax (Rate)	29-03-2019	Seeks to amend notification No. 1/2017-Integrated Tax (Rate) so as to notify IGST rate of certain goods as recommended by Goods and Services Tax Council for real estate sector.
09/2019-Integrated Tax (Rate)	10-05-2019	To amend notification No. 8/ 2017- Integrated Tax (Rate) so as to extend the last date for exercising the option by promoters to pay tax at the old rates of 12%/ 8% with ITC
10/2019-Integrated Tax (Rate)	29-06-2019	Seeks to specifies retail outlets established in the departure area of an international airport, beyond the immigration counters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund.
11/2019-Integrated Tax (Rate)	29-06-2019	Seeks to exempts any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an outgoing international tourist.
12/2019-Integrated Tax (Rate)	31-07-2019	which seeks to reduce the GST rate on Electric Vehicles, and charger or charging stations for Electric vehicles.

Notification No.	Date	Subject
13/2019-Integrated Tax (Rate)	31-07-2019	which seeks to exempt the hiring of Electric buses by local authorities from GST.
14/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No 1/2017- Integrated Tax dated 28.6.2017 so as to specify effective IGST rates for specified goods, to give effect to the recommendations of the GST Council in its 37th meeting dated 20.09.2019.
15/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No 2/2017- Integrated Tax (Rate) dated 28.6.2017 to grant exemption to dried tamarind and cups, plates made of leaves, bark and flowers of plants.
16/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No 3/2017- Integrated Tax (Rate) dated 28.6.2017 so as to extend concessional IGST rates to specified projects under HELP/OALP, and other changes.
17/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No 27/2018- Integrated Tax (Rate) dated 31.12.2018 so as to exempt IGST on supplies of silver and platinum by nominated agencies to registered persons.
18/2019-Integrated Tax (Rate)	30-09-2019	Seeks to exempt supply of goods for specified projects under FAO.
19/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No. 08/2017- Integrated Tax (Rate) so as to notify GST rates of various services as recommended by GST Council in its 37th meeting held on 20.09.2019.
20/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No. 09/2017- Integrated Tax (Rate) so as exempt certain services as recommended by GST Council in its 37th meeting held on 20.09.2019.

Notification No.	Date	Subject
21/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No. 10/2017- Integrated Tax (Rate) so as to notify certain services under reverse charge mechanism (RCM) as recommended by GST Council in its 37th meeting held on 20.09.2019.
22/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No. 04/2018 - Integrated Tax (Rate), dated the 25th January, 2018, by adding an explanation on the applicability of provisions related to supply of development rights.
23/2019-Integrated Tax (Rate)	30-09-2019	Seeks to amend notification No. 07/2019 - Integrated Tax (Rate), dated the 29th March, 2019 by amending the entry related to cement.
24/2019-Integrated Tax (Rate)	30-09-2019	Seeks to notify the grant of alcoholic liquor licence neither a supply of goods nor a supply of service as per Section 20(i) of IGST Act read with Section 7(2) of CGST Act.
25/2019-Integrated Tax (Rate)	22-11-2019	Seeks to insert explanation regarding Bus Body Building in Notification No. 8/2017-Integrated Tax (Rate) dt. 28.06.2017.
26/2019-Integrated Tax (Rate)	30-12-2019	Seeks to further amend notification No. 01/2017-Integrated Tax (Rate), to change the rate of GST on goods as per recommendations of the GST Council in its 38th Meeting.
27/2019-Integrated Tax (Rate)	31-12-2019	To amend notification No. 9/ 2017- Integrated Tax (Rate) so as to exempt certain services as recommended by GST Council in its 38th meeting held on 18.12.2019.
28/2019-Integrated Tax (Rate)	31-12-2019	To amend notification No. 10/ 2017- Integrated Tax (Rate) so as to notify certain services under reverse charge mechanism (RCM) as recommended by GST Council in its 38th meeting held on 18.12.2019.

Notification No.	Date	Subject
01/2020-Integrated Tax (Rate)	21-02-2020	Seeks to amend Notification No. 1/2017-Integrated Tax (Rate) dated 28.06.2017 so as to notify rate of GST on supply of lottery.
02/2020-Integrated Tax (Rate)	26-03-2020	Seeks to amend Notification No. 8/2017-Integrated Tax (Rate) dt. 28.06.2017 reducing IGST rate on Maintenance, Repair and Overhaul (MRO) services in respect of aircraft from 18% to 5% with full ITC.
03/2020-Integrated Tax (Rate)	25-03-2020	Seeks to amend Notification No. 1/2017-Integrated Tax (Rate) to prescribe change in IGST rate of goods
04/2020-Integrated Tax (Rate)	30-09-2020	Extension of IGST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India, by one year i.e. upto 30.09.2021.
05/2020-Integrated Tax (Rate)	16-10-2020	To amend notification No. 9/ 2017- Integrated Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42nd meeting held on 05.10.2020.

Union Territory Tax (Rate) Notifications

Notification No.	Date	Subject
01/2017-Union Territory Tax (Rate)	28-06-2017	UTGST Rate Schedule notified under section 7 (1)
02/2017-Union Territory Tax(Rate)	28-06-2017	UTGST exempt goods notified under section 8 (1)
03/2017-Union Territory Tax(Rate)	28-06-2017	2.5% concessional UTGST rate for supplies to Exploration and Production notified under section 8 (1)

Notification No.	Date	Subject
04/2017-Union Territory Tax(Rate)	28-06-2017	Notification prescribing reverse charge on certain specified supplies of goods under section 7 (3)
05/2017-Union Territory Tax(Rate)	28-06-2017	Notification specifying supplies of goods in respect of which no refund of unutilised input tax credit shall be allowed under section 54 (3) of CGST Act
06/2017-Union Territory Tax(Rate)	28-06-2017	Notification prescribing refund of 50% of UTGST on supplies to CSD under section 55 of CGST Act
07/2017-Union Territory Tax(Rate)	28-06-2017	Exemption from UTGST supplies by CSD to Unit Run Canteens and supplies by CSD / Unit Run Canteens to authorised customers notified under section 8 (1) and section 55 CSD of CGST Act
08/2017-Union Territory Tax(Rate)	28-06-2017	UTGST exemption from reverse charge upto Rs.5000 per day under section 8 (1)
09/2017-Union Territory Tax(Rate)	28-06-2017	Notification exempting supplies to a TDS deductor by a supplier, who is not registered, under section 8 (1)
10/2017-Union Territory Tax(Rate)	28-06-2017	UTGST exemption for dealers operating under Margin Scheme notified under section 8 (1)
11/2017-Union Territory Tax(Rate)	28-06-2017	To notify the rates for supply of services under UTGST Act
12/2017-Union Territory Tax(Rate)	28-06-2017	To notify the exemptions on supply of services under UTGST Act
13/2017-Union Territory Tax(Rate)	28-06-2017	To notify the categories of services on which union territory tax will be payable under reverse charge mechanism under UTGST Act
14/2017-Union Territory Tax(Rate)	28-06-2017	To notify the supplies which shall be treated neither as a supply of goods nor a supply of service under the UTGST Act

Notification No.	Date	Subject
15/2017-Union Territory Tax(Rate)	28-06-2017	To notify the supplies not eligible for refund of unutilised ITC under UTGST Act
16/2017-Union Territory Tax(Rate)	28-06-2017	To notify specialised agencies entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them under UTGST Act
17/2017-Union Territory Tax(Rate)	28-06-2017	To notify the categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator
18/2017-Union Territory Tax(Rate)	30-06-2017	Seek to reduce the rate of Central Tax, Union Territory Tax, on fertilisers from 6% to 2.5% and Integrated Tax rate on fertilisers from 12% to 5%
19/2017-Union Territory Tax(Rate)	18-08-2017	Seek to reduce UTGST rate on specified parts of tractors from 14% to 9 %.
20/2017-Union Territory Tax(Rate)	22-08-2017	Seeks to amend notification No.11/2017-Union Territory Tax (Rate), to reduce UTGST rate on specified supplies of Works Contract Services, job work for textile & textile products, printing service of books, newspapers etc, admission to planetarium, and, also to provide option to GTA & transport of passengers by motorcab service providers to avail full ITC & discharge UTGST @ 6%.
21/2017-Union Territory Tax(Rate)	22-08-2017	Seeks to amend notification No. 12/2017-Union Territory Tax (Rate) to exempt services provided by Fair Price Shops to Government and those provided by and to FIFA for FIFA U-17. Also to substitute RWCIS & PMFBY for MNAIS & NAIS, and insert explanation for LLP.
22/2017-Union Territory Tax(Rate)	22-08-2017	Seeks to amend notification No.13/2017-Union Territory Tax (Rate) to amend RCM provisions for GTA and to insert explanation for LLP.

Notification No.	Date	Subject
23/2017-Union Territory Tax(Rate)	22-08-2017	Seeks to amend notification No.17/2017-Union Territory Tax(Rate) to make ECO responsible for payment of GST on services provided by way of house-keeping such as plumbing, carpentering etc.
24/2017-Union Territory Tax(Rate)	21-09-2017	Seeks to amend notification No. 11/2017-Union Territory Tax(Rate) to reduce CGST rate on specified supplies of Works Contract Services.
25/2017-Union Territory Tax(Rate)	21-09-2017	Seeks to amend notification No.12/2017-Union Territory Tax(Rate) to exempt right to admission to the events organised under FIFA U-17 World Cup 2017.
26/2017-Union Territory Tax(Rate)	21-09-2017	Exempt certain supplies to NPCIL.
27/2017-Union Territory Tax(Rate)	22-09-2017	Seeks to amend notification no. 1/2017- Union Territory tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst rates.
28/2017-Union Territory Tax(Rate)	22-09-2017	Seeks to amend notification no. 2/2017- Union Territory tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst exemptions
29/2017-Union Territory Tax(Rate)	22-09-2017	Seeks to amend notification no. 5/2017-integrated tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding restriction of refund on corduroy fabrics.
30/2017-Union Territory Tax(Rate)	29-09-2017	Exempting supply of services associated with transit cargo to Nepal and Bhutan
31/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to amend notification No. 11/2017-UTT®

Notification No.	Date	Subject
32/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to amend notification No. 12/2017-Union Territory Tax(Rate).
33/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to amend notification No. 13/2017-Union Territory Tax (Rate) regarding services provided by Overseeing Committee members to RBI under RCM.
34/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to amend notification No. 1/2017-Union Territory Tax (Rate).
35/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to amend notification No. 2/2017-Union Territory Tax (Rate).
36/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to amend notification No. 4/2017-Union Territory Tax (Rate).
37/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to prescribe Union Territory Tax rate on the leasing of motor vehicles.
38/2017-Union Territory Tax(Rate)	13-10-2017	Seeks to exempt payment of tax under section 7(4) of the UTGST Act, 2017 till 31.03.2017.
39/2017-Union Territory Tax(Rate)	18-10-2017	Seeks to reduce GST rate on Food preparations put up in unit containers and intended for free distribution to economically weaker sections of the society under a programme duly approved by the Central Government or any State Government.
40/2017-Union Territory Tax(Rate)	23-10-2017	Seeks to prescribe Union Territory tax rate of 0.05% on intra-State supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions.
41/2017-Union Territory Tax(Rate)	14-11-2017	Seeks to amend notification no. 1/2017- Union Territory tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst rates.

Notification No.	Date	Subject
42/2017-Union Territory Tax(Rate)	14-11-2017	Seeks to amend notification no. 2/2017- Union Territory tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding gst exemptions
43/2017-Union Territory Tax(Rate)	14-11-2017	Seeks to amend notification no. 4/2017- Union Territory tax(rate) dated 28.06.2017 to give effect to gst council decision regarding reverse charge on raw cotton.
44/2017-Union Territory Tax(Rate)	14-11-2017	Seeks to amend notification no. 5/2017- Union Territory tax(rate) dated 28.06.2017 to give effect to gst council decisions regarding restriction of ITC on certain fabrics.
45/2017-Union Territory Tax(Rate)	14-11-2017	Seeks to provide concessional GST rate of 2.5% on scientific and technical equipments supplied to public funded research institutions.
46/2017-Union Territory Tax(Rate)	14-11-2017	Seeks to amend notification No. 11/2017-UT-T(R) so as to specify rate @ 2.5% for stand-alone restaurants and @9% for other restaurants, reduce rate of job work on "handicraft goods" @ 2.5% and to substitute "Services provided" in item (vi) against Sl No. 3 in table.
47/2017-Union Territory Tax(Rate)	14-11-2017	Seeks to amend notification No. 12/2017-Union Territory Tax (Rate) so as to extend exemption to admission to "protected monument" and to consolidate entry at Sl. No. 11A & 11B.
01/2018-Union Territory Tax(rate)	25-01-2018	Seeks to amend notification No. 11/2017- Union Territory Tax (Rate) so as to notify UT GST rates of various services as recommended by Goods and Services Tax Council in its 25th meeting held on 18.01.2018.
02/2018-Union Territory Tax(rate)	25-01-2018	Seeks to amend notification No. 12/2017- Union Territory Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 25th meeting held on 18.01.2018.

Notification No.	Date	Subject
03/2018-Union Territory Tax(rate)	25-01-2018	Seeks to amend notification No. 13/2017-Central Tax (Rate) so as to specify services supplied by the Central Government, State Government, Union territory or local authority by way of renting of immovable property to a registered person under CGST Act, 2017 to be taxed under Reverse Charge Mechanism (RCM).
04/2018-Union Territory Tax(rate)	25-01-2018	Seeks to provide special procedure with respect to payment of tax by registered person supplying service by way of construction against transfer of development right and vice versa.
05/2018-Union Territory Tax(rate)	25-01-2018	Seeks to exempt Central Government's share of Profit Petroleum from Union Territory Tax
06/2018-Union Territory Tax(rate)	25-01-2018	Seeks to amend Notification No.1/2017-UTGST (Rate).
07/2018-Union Territory Tax(rate)	25-01-2018	Seeks to amend Notification No.2/2017-UTGST (Rate).
08/2018-Union Territory Tax(rate)	25-01-2018	Seeks to amend Notification No.1/2017-UTGST (Rate).
09/2018-Union Territory Tax(rate)	25-01-2018	Seeks to amend Notification No.45/2017-UTGST (Rate).
10/2018-Union Territory Tax(rate)	23-03-2018	Seeks to exempt payment of tax under section 7(4) of the UT GST Act, 2017 till 30.06.2018.
11/2018-Union Territory Tax(rate)	28-05-2018	Seeks to amend notification No. 04/2017-Union Territory Tax (Rate) dated 28.06.2017 so as to notify levy of Priority Sector Lending Certificate (PSLC) under Reverse Charge Mechanism (RCM)

Notification No.	Date	Subject
12/2018-Union Territory Tax(rate)	29-06-2018	Seeks to exempt payment of tax under section 7(4) of the UT GST Act, 2017 till 30.09.2018.
13/2018-Union Territory Tax(rate)	26-07-2018	Seeks to amend notification No. 11/2017-Union Territory Tax (Rate) so as to notify UTGST rates of various services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
14/2018-Union Territory Tax(rate)	26-07-2018	Seeks to amend notification No. 12/2017-Union Territory Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 28th meeting held on 21.07.2018.
15/2018-Union Territory Tax(rate)	26-07-2018	Seeks to amend notification No. 13/2017-Union Territory Tax (Rate) so as to specify services supplied by individual Direct Selling Agents (DSAs) to banks/ non-banking financial company (NBFCs) to be taxed under Reverse Charge Mechanism (RCM).
16/2018-Union Territory Tax(rate)	26-07-2018	Seeks to amend notification No. 14/2017-Union Territory Tax (Rate) to notify that services by way of any activity in relation to a function entrusted to a municipality under Article 243W shall be treated neither as a supply of good nor a service.
17/2018-Union Territory Tax(rate)	26-07-2018	Seeks to insert explanation in an item in notification No. 11/2017 – Union Territory Tax (Rate) by exercising powers conferred under section 8(3) of UTGST Act, 2017.
18/2018-Union Territory Tax(rate)	26-07-2018	Seeks to amend Notification 01/2017-Union Territory Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018

Notification No.	Date	Subject
19/2018-Union Territory Tax(rate)	26-07-2018	Seeks to amend Notification 02/2017-Union Territory Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
20/2018-Union Territory Tax(rate)	26-07-2018	Seeks to amend Notification 05/2017-Union Territory Tax (Rate),dt. 28-06-2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
21/2018-Union Territory Tax(rate)	26-07-2018	Seeks to prescribe concessional UTGST rate on specified handicraft items, to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
22/2018-Union Territory Tax(rate)	06-08-2018	Seeks to exempt payment of tax under section 7(4) of the UT GST Act, 2017 till 30.09.2019.
23/2018-Union Territory Tax(rate)	20-09-2018	Seeks to insert explanation in an entry in notification No. 12/2017 – Union Territory Tax (Rate) by exercising powers conferred under section 8(3) of UTGST Act, 2017.
24/2018-Union Territory tax(rate)	31-12-2018	Seeks to further amend notification No. 1/2017-Union Territory Tax (Rate) dated 28.06.2017 to change GST rates on goods as per recommendations of the GST Council in its 31st meeting.
25/2018-Union Territory tax(rate)	31-12-2018	Seeks to further amend notification No. 2/2017-Union Territory Tax (Rate) dated 28.06.2017 to exempt GST on goods as per recommendations of the GST Council in its 31st meeting.
26/2018-Union Territory tax(rate)	31-12-2018	Union Territory Tax (Rate)-seeks to exempt Union Territory tax on supply of gold by nominated agencies to registered persons.

Notification No.	Date	Subject
27/2018-Union Territory tax(rate)	31-12-2018	Seeks to amend notification No. 11/2017-Union Territory Tax (Rate) so as to notify UTGST rates of various services as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.
28/2018-Union Territory tax(rate)	31-12-2018	Seeks to amend notification No. 12/2017-Union Territory Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.
29/2018-Union Territory tax(rate)	31-12-2018	Seeks to amend notification No. 13/2017-Union Territory Tax (Rate) so as to specify services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council in its 31st meeting held on 22.12.2018.
30/2018-Union Territory tax(rate)	31-12-2018	Seeks to insert explanation in an item in notification No. 11/2017 – Union Territory Tax (Rate) by exercising powers conferred under section 11(3) of CGST Act, 2017.
01/2019-Union Territory tax(rate)	29-01-2019	Seeks to rescind notification No. 8/2017-Union Territory Tax (Rate) dated 28.06.2017 in view of bringing into effect the amendments (regarding RCM on supplies by unregistered persons) in the GST Acts
02/2019-Union Territory tax(rate)	07-03-2019	To give composition scheme for supplier of services with a tax rate of 6% having annual turn over in preceding year upto Rs 50 lakhs
03/2019-Union Territory tax(rate)	29-03-2019	Seeks to amend notification No. 11/2017-Union Territory Tax (Rate) so as to notify UTGST rates of various services as recommended by Goods and Services Tax Council for real estate sector.

Notification No.	Date	Subject
04/2019-Union Territory tax(rate)	29-03-2019	Seeks to amend notification No. 12/2017-Union Territory Tax (Rate) so as to exempt certain services as recommended by Goods and Services Tax Council for real estate sector.
05/2019-Union Territory tax(rate)	29-03-2019	Seeks to amend notification No. 13/2017-Union Territory Tax (Rate) so as to specify services to be taxed under Reverse Charge Mechanism (RCM) as recommended by Goods and Services Tax Council for real estate sector.
06/2019-Union Territory tax(rate)	29-03-2019	Seeks to notify certain class of persons by exercising powers conferred under section 148 of CGST Act, 2017.
07/2019-Union Territory tax(rate)	29-03-2019	Seeks to notify certain services to be taxed under RCM under section 7(4) of UTGST Act as recommended by Goods and Services Tax Council for real estate sector.
08/2019-Union Territory tax(rate)	29-03-2019	Seeks to amend notification No. 1/2017- Union Territory Tax (Rate) so as to notify UTGST rate of certain goods as recommended by Goods and Services Tax Council for real estate sector.
09/2019-Union Territory tax(rate)	29-03-2019	Seeks to amend notification No. 02/2019-Union Territory Tax (Rate) so as to provide for application of Composition rules to persons opting to pay tax under notification no. 2/2019- Union Territory Tax (Rate).
10/2019-Union Territory tax(rate)	10-05-2019	Seeks to amend notification No. 11/ 2017-Union Territory Tax (Rate) so as to extend the last date for exercising the option by promoters to pay tax at the old rates of 12%/ 8% with ITC
11/2019-Union Territory tax(rate)	29-06-2019	Seeks to specifies retail outlets established in the departure area of an international airport, beyond the immigrationcounters, making tax free supply of goods to an outgoing international tourist, as class of persons who shall be entitled to claim refund.

Notification No.	Date	Subject
12/2019-Union Territory tax-(rate)	31-07-2019	which seeks to reduce the GST rate on Electric Vehicles, and charger or charging stations for Electric vehicles.
13/2019-Union Territory tax-(rate)	31-07-2019	which seeks to exempt the hiring of Electric buses by local authorities from GST.
14/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No 1/2017- Union territory Tax (Rate) dated 28.6.2017 so as to specify effective UTGST rates for specified goods, to give effect to the recommendations of the GST Council in its 37th meeting dated 20.09.2019.
15/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No 2/2017- Union territory Tax (Rate) dated 28.6.2017 so as to grant exemption to dried tamarind and cups, plates made of leaves, bark and flowers of plants.
16/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No 3/2017- Union territory Tax (Rate) dated 28.6.2017 so as to extend concessional UTGST rates to specified projects under HELP/OALP, and other changes.
17/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No 26/2018- Union territory Tax (Rate) dated 31.12.2018 so as to exempt UTGST on supplies of silver and platinum by nominated agencies to registered persons.
18/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No 2/2019- Union territory Tax (Rate) dated 7.3.2019 so as to exclude manufacturers of aerated waters from the purview of composition scheme.
19/2019-Union Territory tax-(rate)	30-09-2019	Seeks to exempt supply of goods for specified projects under FAO.

Notification No.	Date	Subject
20/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No. 11/2017- Union Territory Tax (Rate) so as to notify GST rates of certain services as recommended by GST Council in its 37th meeting held on 20.09.2019.
21/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No. 12/2017- Union Territory Tax (Rate) so as to exempt certain services as recommended by GST Council in its 37th meeting held on 20.09.2019.
22/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No. 13/2017- Union Territory Tax (Rate) so as to notify certain services under reverse charge mechanism (RCM) as recommended by GST Council in its 37th meeting held on 20.09.2019.
23/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No. 04/2018 - Union Territory Tax (Rate), dated the 25th January, 2018, by adding an explanation on the applicability of provisions related to supply of development rights.
24/2019-Union Territory tax-(rate)	30-09-2019	Seeks to amend notification No. 07/2019 - Union Territory Tax (Rate), dated the 29th March, 2019 by amending the entry related to cement.
25/2019-Union Territory tax-(rate)	30-09-2019	Seeks to notify the grant of alcoholic liquor licence neither a supply of goods nor a supply of service as per Section 21(i) of UTGST Act read with Section 7(2) of CGST Act, 2017.
26/2019-Union Territory tax-(rate)	22-11-2019	Seeks to insert explanation regarding Bus Body Building in Notification No. 11/2017-Union Territory Tax (Rate) dt. 28.06.2017.
27/2019-Union Territory tax-(rate)	30-12-2019	Seeks to further amend notification No. 01/2017-Union Territory Tax (Rate), to change the rate of GST on goods as per recommendations of the GST Council in its 38th Meeting.

Notification No.	Date	Subject
28/2019-Union Territory tax-(rate)	30-12-2019	To amend notification No. 12/ 2017- Union Territory Tax (Rate) so as to exempt certain services as recommended by GST Council in its 38th meeting held on 18.12.2019.
29/2019-Union Territory tax-(rate)	30-12-2019	To amend notification No. 13/ 2017- Union Territory Tax (Rate) so as to notify certain services under reverse charge mechanism (RCM) as recommended by GST Council in its 38th meeting held on 18.12.2019.
01/2020-Union Territory tax-(rate)	21-02-2020	Seeks to amend Notification No. 1/2017- Union Territory Tax (Rate) dated 28.06.2017 so as to notify rate of GST on supply of lottery.
02/2020-Union Territory tax-(rate)	26-03-2020	SeekstoamendNotificationNo.11/2017-Union Territory Tax (Rate) dt. 28.06.2017 reducing GST rate on Maintenance, Repair and Overhaul (MRO) services in respect of aircraft from 18% to 5% with full ITC
03/2020-Union Territory tax-(rate)	25-03-2020	Seeks to amend Notification No. 1/2017-Union Territory Tax (Rate) to prescribe change in UTGST rate of goods.
04/2020-Union Territory tax-(rate)	30-09-2020	Extension of UTGST exemption on services by way of transportation of goods by air or by sea from customs station of clearance in India to a place outside India, by one year i.e. upto 30.09.2021.
05/2020-Union Territory tax-(rate)	16-10-2020	To amend notification No. 12/ 2017- Union Territory Tax (Rate) so as to exempt satellite launch services provided by ISRO, Antrix Co. Ltd and NSIL as recommended by GST Council in its 42nd meeting held on 05.10.2020.

Compensation Cess (Rate) Notifications

Notification No.	Date	Subject
01/2017-Compensation Cess (Rate)	28-06-2017	Seeks to notify Rates of goods and services tax compensation cess under Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017).

Notification No.	Date	Subject
02/2017-Compensation Cess (Rate)	28-06-2017	To notify the rates of compensation cess on supply of specified services
03/2017-Compensation Cess (Rate)	18-07-2017	Seeks to amend notification No. 1/2017- Compensation Cess (Rate), dated 28th, June, 2017 so as to increase the Compensation Cess rates on cigarettes as mentioned in the notification with effect from 18th, July, 2017
04/2017-Compensation Cess (Rate)	20-07-2017	Seeks to exempt intra-State supplies of second hand goods received by a registered person, dealing in buying and selling of second hand goods and who pays the goods and services tax compensation cess on the value of outward supply of such second hand goods, as determined under sub-rule (5) of rule 32 of the Central Goods and Services Tax Rules, 2017, from an supplier, who is not registered, from the whole of the goods and services tax compensation cess leviable thereon under section 8 of the Goods and Services Tax (Compensation to States) Act, read with sub-section (4) of Section 9 of the Central Goods and Services Tax Act
05/2017-Compensation Cess (Rate)	11-09-2017	The notification amends the rates of compensation cess on various motor vehicles
06/2017-Compensation Cess (Rate)	13-10-2017	Seeks to amend notification No. 2/2017-Compensation Cess (Rate) regarding reduction in cess rates for leasing of motor vehicles purchased and leased prior to 01.07.2017.
07/2017-Compensation Cess (Rate)	13-10-2017	Seeks to prescribe compensation cess rate on the leasing of motor vehicles.
01/2018-Compensation Cess (Rate)	25-01-2018	Seeks to amend notification No. 1/2017- Compensation Cess (Rate),

Notification No.	Date	Subject
02/2018-Compensation Cess (Rate)	25-07-2018	Seeks to amend Notification No. 1/2017 -Compensation Cess (Rate) dated 28.06.2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
01/2018-Compensation Cess (Rate),	25-01-2018	Seeks to amend Notification No.1/2017-Compensation Cess (Rate).
02/2018-Compensation Cess (Rate),	26-07-2018	Seeks to amend Notification No. 1/2017 -Compensation Cess (Rate) dated 28.06.2017 to give effect to the recommendations of the GST Council in it's 28th meeting held on 21.07.2018
01/2019-Compensation Cess (Rate)	29-06-2019	Exempts any supply of goods by a retail outlet established in the departure area of an international airport, beyond the immigration counters, to an outgoing international tourist.
02/2019-Compensation Cess (Rate)	30-09-2019	Seeks to amend notification No. 1/2017-Compensation Cess (Rate), dated 28.6.2017 on the recommendations of the GST Council in its 37th meeting dated 20.09.2019.
03/2019-Compensation Cess (Rate)	30-09-2019	Seeks to disallow the refund of compensation cess in case of inverted duty structure for tobacco and manufactured tobacco substitutes.

LIST OF CIRCULARS/ORDERS

CGST-UTGST CIRCULARS

Circular No.	Date	Subject
01/2017	26-06-2017	Proper officer for provisions relating to Registration and Composition levy under the Central Goods and Services Tax Act, 2017 or the rules made thereunder
02/2017	04-07-2017	Issues related to furnishing of Bond/ Letter of Undertaking for Exports–Reg Revised by Circular 8/2017
03/2017	05-07-2017	Proper officer relating to provisions other than Registration and Composition under the Central Goods and Services Tax Act, 2017–Reg
04/2017	07-07-2017	Reagrding issues related to Bond/Letter of Undertaking for exports without payment of integrated tax – Reg. Revised by Circular 8/2017
05/2017	11-08-2017	Circular on Bond/LUT in case of exports without payment of integrated tax Revised by Circular 8/2017
06/2017	27-08-2017	CGST dated 27.08.2017 is issued to clarify classification and GST rate on lottery
07/2017	01-09-2017	System based reconciliation of information furnished in FORM GSTR-1 and FORM GSTR-2 with FORM GSTR-3B – regarding Circular 7/2017 has been kept in abeyance till the date notified
08/2017	04-10-2017	Clarification on issues related to furnishing of Bond/LUT for exports Revision of Circulars 2/2017, 04/2017, 05/2017
09/2017	18-10-2017	Authorized officer for enrollment of Goods and Services Tax Practitioner

Circular No.	Date	Subject
10/2017	18-10-2017	Clarification on movement of goods on approval basis
11/2017	20-10-2017	Clarification on taxability of printing contracts
12/2017	26-10-2017	Seeks to clarify the applicability of GST on the superior kerosene oil [SKO] retained for the manufacture of Linear Alkyl Benzene [LAB].
13/2017	27-10-2017	Clarification of classification of cut pieces of fabric under GST
14/2017	06-11-2017	Procedure regarding procurement of supplies of goods from DTA by (EOU)/(EHTP Unit /STP Unit/ BTP Unit .
15/2017	06-11-2017	Due date for generation of FORM GSTR-2A and FORM GSTR-1A in accordance with the extension of due date for filing FORM GSTR-1 and FORM GSTR-2 respectively
16/2017	15-11-2017	Clarifications regarding applicability of GST and availability of ITC in respect of certain services.
17/2017	15-11-2017	Manual filing and processing of refund claims in respect of zero-rated supplies .
18/2017	16-11-2017	Refund of unutilized input tax credit of GST paid on inputs in respect of exporters of fabrics.
19/2017	20-11-2017	Clarification on taxability of custom milling of paddy.
20/2017	22-11-2017	GST dated 22.11.2017 is issued to clarify classification and GST rate on Terracotta idols.
21/2017	22-11-2017	GST dated 22.11.2017 is issued to clarify on Inter-state movement of rigs, tools and spares, and all goods on wheels [like cranes].
22/2017	21-12-2017	Clarification on issues regarding treatment of supply by an artist in various States and supply of goods by artists from galleries
23/2017	21-12-2017	Issues in respect of maintenance of books of accounts relating to additional place of business by a principal or an auctioneer for the purpose of auction of tea, coffee, rubber etc

Circular No.	Date	Subject
24/2017	21-12-2017	Manual filing and processing of refund claims on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger
25/2017	21-12-2017	Manual filing of applications for Advance Ruling and appeals before Appellate Authority for Advance Ruling
26/2017	29-12-2017	Filing of returns under GST
27/2017	04-01-2018	Clarifications regarding levy of GST on accommodation services, betting and gambling in casinos, horse racing, admission to cinema, homestays, printing, legal services etc.
28/2018	08-01-2018	Clarifications regarding GST on College Hostel Mess Fees
29/2018	25-01-2018	GST dated 25.01.2018 seeks to clarify applicability of GST on Polybutylene feedstock and Liquefied Petroleum Gas retained for the manufacture of Poly Iso Butylene and Propylene or Di-butyl para Cresol.
30/2018	25.01.2018	GST dated 25.01.2018 clarification regarding supplies made to the Indian Railways classifiable under any chapter, other than Chapter 86
31/2018	09-02-2018	Proper officer under sections 73 and 74 of the Central Goods and Services Tax Act, 2017 and under the Integrated Goods and Services Tax Act, 2017.
32/2018	12-02-2018	Clarifications regarding GST in respect of certain services as decided in 25th GST Council meeting.
33/2018	23-02-2018	Directions under Section 168 of the CGST Act regarding non-transition of CENVAT credit under section 140 of CGST Act or non-utilization thereof in certain cases-reg..
34/2018	01-03-2018	Clarification regarding GST in respect of certain services.

Circular No.	Date	Subject
35/2018	05-03-2018	Clarification regarding taxable services provided by the member of the Joint Venture(JV) to the JV and vice versa and inter se between the members of the JV
36/2018	13-03-2018	Processing of refund application for UIN entities
37/2018	15-03-2018	Clarifications on export related refund issues
38/2018	26-03-2018	Clarifications on issues related to Job Work
39/2018	03-04-2018	Setting up of an IT Grievance Redressal Mechanism to address the grievances of taxpayers due to technical glitches on GST Portal
40/2018	06-04-2018	Clarification on issues related to furnishing of Bond/Letter of Undertaking for exports
41/2018	13-04-2018	Procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances
42/2018	13-04-2018	Clarification regarding procedure for recovery of arrears under the existing law and reversal of inadmissible input tax credit
43/2018	13-04-2018	Queries regarding processing of refund applications for UIN agencies
44/2018	02-05-2018	Issue related to taxability of 'tenancy rights' under GST- Regarding.
45/2018	30-05-2018	Clarification on refund related issues
46/2018	06-06-2018	Applicable GST rate on Priority Sector Lending Certificates (PSLCs), Renewable Energy Certificates (RECs) and other similar scrips-regarding
47/2018	08-06-2018	Clarifications of certain issues under GST
48/2018	14-06-2018	Circulars clarifying miscellaneous issues related to SEZ and refund of unutilized ITC for job workers
49/2018	21-06-2018	Seeks to modify Circular No. 41/15/2018-GST
50/2018	31-07-2018	Seeks to withdraw Circular No. 28/02/2018-GST dated 08.01.2018 as amended vide Corrigendum dated 18.01.2018 and Order No 02/2018-CT dated 31.03.2018 – reg.

Circular No.	Date	Subject
51/2018	31-07-2018	Applicability of GST on ambulance services provided to Government by private service providers under the National Health Mission (NHM)
52/2018	09-08-2018	Circular No. 52/26/2018-GST dated 09.08.2018 i.r.o. clarification regarding applicability of GST rates on various goods and services.
53/2018	09-08-2018	Circular No. 53/27/2018-GST dated 09.08.2018 i.r.o. clarification regarding applicability of GST on petroleum gases retained for the manufacture of petrochemical and chemical products
54/2018	09-08-2018	Circular No. 54/28/2018-GST dated 09.08.2018 i.r.o. classification of fertilizers supplied for use in the manufacture of other fertilizers at 5 % GST rate.
55/2018	10-08-2018	Taxability of services provided by Industrial Training Institutes (ITI) .
56/2018	24-08-2018	Clarification on removal of restriction on refund of accumulated Input Tax Credit on fabrics
57/2018	04-09-2018	Scope of Principal-agent relationship in the context of Schedule I of the CGST Act.
58/2018	04-09-2018	Recovery of arrears of wrongly availed CENVAT credit under the existing law and inadmissible transitional credit.
59/2018	04-09-2018	Clarification on refund related issues.
60/2018	04-09-2018	Processing of refund applications filed by Canteen Stores Department (CSD).
61/2018	04-09-2018	E-way bill in case of storing of goods in godown of transporter.
62/2018	12-09-2018	Levy of GST on Priority Sector Lending Certificate-reg.
63/2018	14-09-2018	Clarification regarding processing of refund claims filed by UIN entitles

Circular No.	Date	Subject
64/2018	14-09-2018	Modification of the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances, as clarified in Circular Nos. 41/15/2018-GST dated 13.04.2018 and 49/23/2018-GST dated 21.06.2018 - regarding
65/2018	14-09-2018	Guidelines for Deductions and Deposits of TDS by the DDO under GST
66/2018	26-09-2018	GST on Residential programmes or camps meant for advancement of religion, spirituality or yoga by religious and charitable trusts
67/2018	28-09-2018	Circular clarifying collection of tax at source by Tea Board of India.
68/2018	05-10-2018	Scope of principal and agent relationship under Schedule I of CGST Act, 2017 in the context of del-credre agent.
69/2018	26-10-2018	Circular to clarify the procedure in respect of return of time expired drugs or medicines
70/2018	26-10-2018	Clarification on issues pertaining to registration as a casual taxable person & recovery of excess Input Tax Credit distributed by an Input Service distributor
71/2018	26-10-2018	Clarification on certain issues related to refund
72/2018	26-10-2018	Circular on Standard Operating Procedure for Processing of Applications for Cancellation of Registration submitted in FORM GST REG-16
73/2018	05-11-2018	Notifications issued under CGST Act, 2017 applicable to Goods and Services Tax (Compensation to States) Act, 2017
74/2018	05-11-2018	Modification to the Guidelines for Deductions and Deposits of TDS by the DDO under GST as clarified in Circular No. 65/39/2018-DOR dated 14.09.2018 - reg

Circular No.	Date	Subject
75/2018	27-12-2018	Guidelines for processing of applications for financial assistance under the Central Sector Scheme named 'Seva Bhoj Yojna' of the Ministry of Culture
76/2018	31-12-2018	Clarification on certain issues (sale by government departments to unregistered person; leviability of penalty under section 73(11) of the CGST Act; rate of tax in case of debit notes / credit notes issued under section 142(2) of the CGST Act; applicability of notification No. 50/2018-Central Tax; valuation methodology in case of TCS under Income Tax Act and definition of owner of goods) related to GST
77/2018	31-12-2018	Denial of composition option by tax authorities and effective date thereof
78/2018	31-12-2018	Clarification on export of services under GST
79/2018	31-12-2018	Clarification on refund related issues
80/2018	31-12-2018	Clarification regarding GST rates & classification (goods)
81/2018	31-12-2018	seeks to clarify GST rate for Sprinkler and Drip irrigation System including laterals.
82/2019	01-01-2019	Applicability of GST on various programmes conducted by the Indian Institutes of Managements (IIMs).
83/2019	01-01-2019	Applicability of GST on Asian Development Bank (ADB) and International Finance Corporation (IFC).
84/2019	01-01-2019	Clarification on issue of classification of service of printing of pictures covered under 998386.
85/2019	01-01-2019	Clarification on GST rate applicable on supply of food and beverage services by educational institution.
86/2019	01-01-2019	GST on Services of Business Facilitator (BF) or a Business Correspondent (BC) to Banking Company.

Circular No.	Date	Subject
87/2019	02-01-2019	-
88/2019	01-02-2019	Seeks to make amendments in the earlier issued circulars in wake of amendments in the CGST Act, 2017 (which shall come into force w.e.f. 01.02.2019).
89/2019	18-02-2019	Seeks to clarify situations of mentioning details of inter-State supplies made to unregistered persons in Table 3.2 of FORM GSTR-3B and Table 7B of FORM GSTR-1.
90/2019	18-02-2019	Seeks to clarify situations of compliance of rule 46(n) of the CGST Rules, 2017 while issuing invoices in case of inter- State supply.
91/2019	18-02-2019	Seeks to give clarification regarding tax payment made for supply of warehoused goods while being deposited in a customs bonded warehouse for the period July, 2017 to March, 2018.
92/2019	07-03-2019	Circular clarifying various doubts related to treatment of sales promotion scheme under GST
93/2019	08-03-2019	Seeks to clarify nature of supply of Priority Sector Lending Certificates (PSLC) – regarding
94/2019	28-03-2019	Seeks to clarify certain refund related issues under GST.
95/2019	28-03-2019	Seeks to clarify verification for grant of new registration.
96/2019	28-03-2019	Seeks to clarify issues in respect of transfer of input tax credit in case of death of sole proprietor.
97/2019	05-04-2019	Circular clarifying issues regarding exercise of option to pay tax under notification No. 2/2019-CT(R) dt 07.03.2019 issued.
98/2019	23-04-2019	Seeks to clarify the manner of utilization of input tax credit post insertion of the rule 88A of the CGST Rules.

Circular No.	Date	Subject
99/2019	23-04-2019	Seeks to clarify the extension in time under sub-section (1) of section 30 of the Act to provide a one time opportunity to apply for revocation of cancellation of registration on or before the 22nd July, 2019 for the specified class of persons for whom cancellation order has been passed up to 31st March, 2019.
100/2019	30-04-2019	GST Applicability on Seed Certification Tags.
101/2019	30-04-2019	GST exemption on the upfront amount payable in installments for long term lease of plots, under Notification No. 12/2017, Central Tax (Rate), S.No. 41, dated 28.06.2017.
102/2019	28-06-2019	Clarification regarding applicability of GST on additional / penal interest - reg.
103/2019	28-06-2019	Clarification regarding determination of place of supply in certain cases - reg.
104/2019	28-06-2019	Processing of refund applications in FORM GST RFD-01A submitted by taxpayers wrongly mapped on the common portal - reg.
105/2019	28-06-2019	Clarification on various doubts related to treatment of secondary or post-sales discounts under GST - reg.
106/2019	29-06-2019	Refund of taxes paid on inward supply of indigenous goods by retail outlets established at departure area of the international airport beyond immigration counters when supplied to outgoing international tourist against foreign exchange - reg.
107/2019	18-07-2019	which seeks to clarify various doubts related to supply of Information Technology enabled Services (ITeS services).
108/2019	18-07-2019	which seeks to clarify issues regarding procedure to be followed in respect of goods sent / taken out of India for exhibition or on consignment basis for export promotion.

Circular No.	Date	Subject
109/2019	22-07-2019	Clarification on issues related to GST on monthly subscription/contribution charged by a Residential Welfare Association from its members.
110/2019	03-10-2019	Seeks to clarify the eligibility to file a refund application in FORM GST RFD-01 for a period and category.
111/2019	03-10-2019	Seeks to clarify procedure to claim refund in FORM GST RFD-01 subsequent to favourable order in appeal or any other forum.
112/2019	03-10-2019	Seeks to withdraw Circular No. 105/24/2019-GST dated 28.06.2019.
113/2019	11-10-2019	Clarification regarding GST rates & classification (goods) Circular-reg.
114/2019	11-10-2019	Clarification on scope of support services to exploration, mining or drilling of petroleum crude or natural gas or both.
115/2019	11-10-2019	Clarification on issue of GST on Airport levies.
116/2019	11-10-2019	Levy of GST on the service of display of name or placing of name plates of the donor in the premises of charitable organisations receiving donation or gifts by individual donors.
117/2019	11-10-2019	Clarification on applicability of GST exemption to the DG Shipping approved maritime courses conducted by Maritime Training Institutes of India.
118/2019	11-10-2019	Clarification regarding determination of place of supply in case of software/design services related to Electronics Semi-conductor and Design Manufacturing (ESDM) industry.
119/2019	11-10-2019	Clarification regarding taxability of supply of securities under Securities Lending Scheme, 1997.
120/2019	11-10-2019	Clarification on the effective date of explanation inserted in notification No. 11/2017- CTR dated 28.06.2017, Sr. No. 3(vi).

Circular No.	Date	Subject
121/2019	11-10-2019	Clarification related to supply of grant of alcoholic liquor license.
122/2019	05-11-2019	Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the Central Board of Indirect Taxes and Customs (CBIC) to tax payers and other concerned persons- reg.
123/2019	11-11-2019	Seeks to clarify restrictions in availment of input tax credit in terms of sub-rule (4) of rule 36 of CGST Rules, 2017.
124/2019	18-11-2019	Seeks to clarify optional filing of annual return under notification No. 47/2019-Central Tax dated 9th October, 2019.
125/2019	18-11-2019	Seeks to clarify the fully electronic refund process through FORM GST RFD-01 and single disbursement.
126/2019	22-11-2019	Clarification on scope of the notification entry at item (id), related to job work, under heading 9988 of Notification No. 11/2017-Central Tax (Rate) dated 28-06-2017-reg.
127/2019	04-12-2019	seeks to ab-initio withdraw the Circular No. 107/26/2019 dated 18.07.2019.
128/2019	23-12-2019	Generation and quoting of Document Identification Number (DIN) on any communication issued by the officers of the Central Board of Indirect Taxes and Customs (CBIC) to tax payers and other concerned persons.
129/2019	24-12-2019	Standard Operating Procedure to be followed in case of non-filers of returns – reg.
130/2019	31-12-2019	RCM on renting of motor vehicles.
131/1/2020	23-01-2020	Standard Operating Procedure (SOP) to be followed by exporters -reg.
132/2/2020	18-03-2020	To issue clarification in respect of appeal in regard to non-constitution of Appellate Tribunal

Circular No.	Date	Subject
133/03/2020	23-03-2020	Seeks to clarify issues in respect of apportionment of input tax credit (ITC) in cases of business reorganization under section 18 (3) of CGST Act read with rule 41(1) of CGST Rules
134/04/2020	23-03-2020	Seeks to clarify issues in respect of issues under GST law for companies under Insolvency and Bankruptcy Code, 2016
135/05/2020	31-03-2020	Circular on Clarification on refund related issues
136/06/2020	03-04-2020	Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19)
137/07/2020	13-04-2020	Circular clarifying issues in respect of challenges faced by registered persons in implementation of provisions of GST issued
138/08/2020	06-05-2020	Seeks to clarify 'issues in respect of challenges faced by the registered persons in implementation of provisions of GST Laws'.
139/09/2020	10-06-2020	Clarification on Refund Related Issues.
140/10/2020	10-06-2020	Clarification in respect of levy of GST on Director's Remuneration.
141/11/2020	24-06-2020	Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of COVID-19
142/12/2020	09-10-2020	Clarification of issues relating to application of sub-rule (4) of rule 36 of the CGST Rules, 2017, cumulatively for the months of February, 2020 to August, 2020
143/13/2020	10-11-2020	Provisions relating to Quarterly Return Monthly Payment Scheme
144/14/2020	15-12-2020	Waiver from recording of UIN on the invoices for the months of April 2020 to March 2021
145/01/2021	11-02-2021	Standard Operating Procedure (SOP) for implementation of the provision of suspension of registrations under sub-rule (2A) of rule 21A of CGST Rules, 2017.

Circular No.	Date	Subject
146/02/2021	23-02-2021	Clarification in respect of applicability of Dynamic Quick Response (QR) Code on B2C invoices and compliance of notification 14/2020- Central Tax dated 21st March, 2020 - Reg.

IGST CIRCULARS

Circular No.	Date	Subject
1/1/2017-IGST	07-07-2017	Clarification on Inter-state movement of various modes of conveyance, carrying goods or passengers or for repairs and maintenance-regarding
2/1/2017-IGST	27-09-2017	Clarification on supply of satellite launch services by ANTRIX Corporation Ltd
3/1/2018-IGST	25-05-2018	Applicability of Integrated Goods and Services Tax (integrated tax) on goods supplied while being deposited in a customs bonded warehouse-reg.
04/01/2019-GST	01-02-2019	Seeks to make amendments in the earlier issued circulars in wake of amendments in the CGST Act, 2017 (which shall come into force w.e.f. 01.02.2019).

COMPENSATION CESS CIRCULARS

Circular No.	Date	Subject
1/1/2017-Compensation Cess	26-07-2017	Seeks to provide clarification regarding applicability of section 16 of the IGST Act, 2017, relating to zero rated supply for the purpose of Compensation Cess on exports.

CGST ORDERS

Order No.	Date	Subject
Order-01/2017	21-07-2017	Extension of time limit for submitting the declaration in FORM GST TRAN-1
Order-02/2017	18-09-2017	Extension of time limit for submitting the declaration in FORM GST TRAN-1
Order-03/2017	21-09-2017	Extension of time limit for submitting the declaration in FORM GST TRAN-1
Order-04/2017	29-09-2017	Extension of time limit for intimation of details in FORM GST CMP-03
Order-01/2017 Central Tax	13-10-2017	To remove difficulties in implementing provisions of composition scheme.
Order-01/2017- Union Territory Tax	13-10-2017	To remove difficulties in implementing provisions of composition scheme.
Order-05/2017	28-10-2017	Extension of time limit for intimation of details of stock in FORM GST CMP-03
Order-06/2017	28-10-2017	Extension of time limit for submitting application in FORM GST REG-26
Order-07/2017	28-10-2017	Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117
Order-08/2017	28-10-2017	Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 120A
Order-09/2017	15-11-2017	Seeks to extend the due date for submitting FORM GST TRAN-1
Order-10/2017	15-11-2017	Seeks to extend the due date for revision of FORM GST TRAN-1
Order-11/2017	21-12-2017	Extension of time limit for intimation in FORM GST CMP-03
Order-01/2018- Central Tax	28-03-2018	Extension of date for submitting the statement in FORM GST TRAN-2 under rule 117(4)(b)(iii) of the Central Goods and Service Tax Rules, 2017

Order No.	Date	Subject
Order-02/2018-Central Tax	31-03-2018	Incidence of GST on providing catering services in train – Regarding.
Order-03/2018-Central Tax	16-08-2018	Constitution of Standing Committee under sub-rule (4) of rule 97 of Central Goods and Services Tax Rules, 2017
Order-04/2018-Central Tax	17-09-2018	Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117(1A) of the Central Goods and Service Tax Rules, 2017 in certain cases
Order-01/2019-GST	31-01-2019	Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117(1A) of the Central Goods and Service Tax Rules, 2017 in certain cases.
Order-02/2019-GST	12-03-2019	Appointment of common authority for the purpose of exercise of powers under sections 73,74, 75 and 76 of the CGST Act, 2017
Order-01/2020-GST	07-02-2020	Extension of time limit for submitting the declaration in FORM GST TRAN-1 under rule 117(1A) of the Central Goods and Service Tax Rules, 2017 in certain cases

UTGST ORDERS

Order No.	Date	Subject
Order-01/2017-Union Territory Tax	13-10-2017	To remove difficulties in implementing provisions of composition scheme.

REMOVAL OF DIFFICULTY ORDER

CGST Order

Order No.	Date	Subject
Order No. 1/2019 - Central Tax	01-02-2019	Seeks to supersede Removal of Difficulties Order No. 1/2017 - Central Tax dated 13.10.2017 in view of the amendment to Section 10 of the CGST Act, 2017 (regarding allowing registered persons opting for Composition Scheme to supply services up to a limit) coming into force w.e.f. 01.02.2019
Order No. 2/2019 - Central Tax	01-02-2019	Seeks to amend Removal of Difficulties Order no 4/2018-CT to extend the due date for furnishing of FORM GSTR – 8 for the months of October, 2018 to December, 2018 till 07.02.2019
Order No. 3/2019 - Central Tax	08-03-2019	To remove difficulty in implementation of Notification No. 2/2019- Central Tax (Rate)
Order No. 4/2019 - Central Tax	29-03-2019	To remove difficulty in case of supply of services covered by clause (b) of paragraph 5 of Schedule II of the CGST Act, 2017
Order No. 5/2019 - Central Tax	23-04-2019	Seeks to extend the time limit for filing an application for revocation of cancellation of registration for specified taxpayers.
Order No. 6/2019 - Central Tax	28-06-2019	Seeks to extend the due date for furnishing FORM GSTR-9, FORM GSTR-9A and FORM GSTR-9C under section 44 of the Central Goods and Services Tax Act, 2017.
Order No. 7/2019 - Central Tax	26-08-2019	Seeks to remove difficulties regarding filing of Annual returns by extending the due date for filing of Annual return / Reconciliation Statement for the Financial year 2017-18 in FORMs GSTR-9, GSTR-9A and GSTR-9C to 30th November, 2019.
Order No. 8/2019 - Central Tax	14-11-2019	Seeks to extend the last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/FORM GSTR-9C for FY 2017-18 till 31st December, 2019 and for FY 2018-19 till 31st March, 2020

Order No.	Date	Subject
Order No. 9/2019 - Central Tax	03-12-2019	Issuance of Removal of Difficulties Order so as to extend the last date for filing of appeals before the GST Appellate Tribunal against orders of Appellate Authority on account of non-constitution of benches of the Appellate Tribunal
Order No. 10/2019 - Central Tax	26-12-2019	Seeks to extend the last date for furnishing of annual return/reconciliation statement in FORM GSTR-9/FORM GSTR-9C for FY 2017-18 till 31.01.2020
Order No. 01/2020 - Central Tax	25-06-2020	Seeks to extend the time limit for filing an application for revocation of cancellation of registration for specified taxpayers.

UTGST Order

Order No.	Date	Subject
Order No. 1/2019 - Union Territories Tax	01-02-2019	Seeks to supersede Removal of Difficulties Order No. 1/2017 - Union Territory Tax dated 13.10.2017 in view of the amendment to Section 10 of the CGST Act, 2017 (regarding allowing registered persons opting for Composition Scheme to supply services up to a limit) coming into force w.e.f. 01.02.2019.
Order No. 2/2019 - Union Territories Tax	08-03-2019	To remove difficulty in implementation of Notification No. 2/2019- Union Territory Tax (Rate)
Order No. 3/2019 - Union Territories Tax	29-03-2019	To remove difficulty in case of supply of services covered by clause (b) of paragraph 5 of Schedule II of the CGST Act, 2017.

LIST OF PRESS RELEASES

S. No.	Date	Subject
1	22-05-2017	CBEC Press Release -- comparative analysis of GST Rates with the prevailing tax rates on important commodities
2	23-05-2017	CBEC Press Release on Tax Incidence on Entertainment Services under GST
3	25-05-2017	CBEC Press Release on comparative analysis of GST Rates with the prevailing tax rates on Important Commodities
4	26-05-2017	CBEC Press Release on 'GST on Telecom Services'
5	28-05-2017	CBEC Press Release on launch of a new twitter handle
6	13-06-2017	CBEC Press Release dt. 13-06-2017 on increased outreach of CBEC in coordination with the State Govts. to reach the last trader
7	14-06-2017	Carry Forward of unavailed Cenvat Credit in respect of assignment of right to use any natural resource under GST--reg.
8	15-06-2017	Reduced Tax Liabilities under GST regime in comparison to present combined Indirect Tax rates
9	15-06-2017	Reduced Tax Liabilities under GST regime in comparison to present combined Indirect Tax rates
10	16-06-2017	Press release regarding Tax incidence dated 16.06.2017
11	18-06-2017	Press release regarding return filing
12	02-07-2017	Press release on GST Implementation
13	03-07-2017	Press release on Abolishment of Check Posts.
14	04-07-2017	Press release on GST rate for specified items for Physically Challenged Persons
15	04-07-2017	Press release on GST-KI-Master Class
16	05-07-2017	Press Release dt 05.07.2017 regarding meaning of registered brand name in the context of GST rates
17	07-07-2017	Press Release dt 07.07.2017 on "Education".
18	07-07-2017	CBEC Press Release dt 07.07.2017 on GST Rate Finder
19	08-07-2017	Clarification on migration, new registration, opting for composition scheme, and issue of Bills of supply
20	08-07-2017	Jammu & Kashmir Joins GST

S. No.	Date	Subject
21	10-07-2017	GST on Gifts
22	10-07-2017	GST Rates on Sanitary Napkins
23	11-07-2017	GST on Free Food Supplied by Religious Places
24	13-07-2017	Services provided by RWA (Resident Welfare Association) / Housing Society
25	13-07-2017	CBEC Press Release dt 13.07.2017 on Lodging in Hostels
26	13-07-2017	Clarification on Tax in Reverse Charge on Gold Ornaments
27	15-07-2017	Applicability of margin scheme under GST on old & used bottles
28	15-07-2017	Provisions related to registration in GST regime
29	15-07-2017	Press Release dt 15.07.2017 on - "Legal Services"
30	17-07-2017	Increase in the compensation cess on Cigarettes
31	18-07-2017	Clarification on GST rates on hotel accommodation
32	22-07-2017	Concerns of the tax payers arising from transition to the GST regime
33	21-07-2017	VISIT OF THE SG WCO
34	25-07-2017	National Anti-profiteering Authority under GST
35	25-07-2017	The GST Saga
36	07-08-2017	Compensation Cess on Motor Vehicle
37	17-08-2017	On clarification regarding availability of transitional credit for GST
38	17-08-2017	Press Release for Extension of GSTR FORM 3B
39	19-08-2017	CBEC Press Release dt 19.08.2017 on -"LAST DATE FOR PAYMENT OF GST AND FILING OF RETURN FOR JULY 2017 EXTENDED BY 5 DAYS"
40	23-08-2017	Press release on Selling of Space for advertisement in print media
41	25-08-2017	Guidance for taxpayers in relation to GST
42	29-08-2017	CBEC Press Release dt 29.08.2017 on "GST Revenue Figures - July 17
43	30-08-2017	CBEC Press Release dt 30.08.2017 on -- "GST (Compensation to States) Act 2017"
44	31-08-2017	Rajaswa Gyan Sangam 2017

S. No.	Date	Subject
45	02-09-2017	Regarding late fee for Taxpayers
46	20-09-2017	CBEC Press Release dt 20.09.2017 on - "On Branded Food Products &; Actionable Claim", for taking necessary action.
47	22-09-2017	CBEC Press Release dt 22.09.2017 on Clarification About Transition Credit.
48	22-09-2017	CBEC Press Release dt 22.09.2017 on Blockage of working capital of Exporters
49	22-09-2017	CBEC Press Release dt 22.09.2017 on -- "Branded Food Products & actionable claim".
50	26-09-2017	CBEC Press Release dt 26.09.2017 on "GST Revenue Figures -September 17.
51	28-09-2017	Payment of Service Tax in Transitional Period.
52	03-10-2017	CBEC Press Release dt 29.09.2017 on "Extending Facility of LUT to more exporters."
53	03-10-2017	CBEC Press Release dt 03.10.2017 clarification on -- "Pricing of Petro Products"
54	09-10-2017	CBEC Press Release dt 09.10.2017 on Last Date for GSTR-1 filing
55	11-10-2017	CBEC Press Release dt 11.10.2017 on -- Petroleum & Oil Sector
56	12-10-2017	CBEC Press Release dt 12.10.2017 on -- issues pertaining to motor vehicles
57	17-10-2017	CBEC Press Release dt 17.10.2017 on -- "Measures taken to reduce the pendency of cases with the Commr. (Appeal)", for taking necessary action.
58	24-10-2017	Press Release on Waiver of late fee on filing of GSTR-3B for August and September, 2017
59	24-10-2017	Press Release on GST Revenue Figures as on 23rd October, 2017
60	30-10-2017	Last date for filing GSTR-2 & GSTR-3
61	10-11-2017	Press release with respect to policy issues recommended in 23rd GST Council Meeting

S. No.	Date	Subject
62	10-11-2017	CBEC Press Release dt 10.11.2017 on -- "Recommendations made by the GST Council in the 23rd meeting at Guwahati on 10.11.2017"
63	10-11-2017	CBEC Press Release On GST Rate Changes.
64	10-11-2017	Press Release On Changes recommended in Composition Scheme.
65	10-11-2017	Press Release on Recommendations made by the GST Council on GST Rate Changes in the 23rd meeting at Guwahati on 10.11.2017
66	13-11-2017	Accepting of UIN of Foreign Diplomatic Missions / Suppliers.
67	13-11-2017	Acceptance of Unique Identity Number of Foreign Diplomatic Missions / UNO while making sales or supplies
68	16-11-2017	CBEC Press Release dt 16.11.2017 on -- "after Notf. on GST Rate Changes"
69	20-11-2017	CBEC Press Release dt 20.11.2017 on -- "Appeal to Industry leaders to pass the benefit of GST Rate Reduction to the Consumers"
70	29-11-2017	CBEC Press Release dt 29.11.2017 on -- "GST Refund"
71	12-12-2017	CBEC Press Release dt 12.12.2017 on -- "export of IT / ITES Services"
72	12-12-2017	CBEC Press Release dt 12.12.2017 on -- "filing of Form TRAN-I to avail Input Tax Credit"
73	16-12-2017	CBEC Press Release dt 16.12.2017 on -- "Interstate E-Way Bill"
74	21-12-2017	CBEC Press Release dt 21.12.2017 on -- " Increase in import duty on Chana (Chickpeas) and Masoor (Lentils)"
75	29-12-2017	CBEC Press Release dt 29.12.2017 on -- "Extension of last date for filing return in FORM GSTR-1"
76	29-12-2017	CBEC Press Release dt 10.01.2018 on -- " No Extension of last date for filing return in FORM GSTR-1"
77	19-01-2017	Decisions relating to Services in the 25th meeting of GST Council held at New Delhi on 18.01.2018
78	19-01-2017	Press releases relating to the 25th meeting of the GST Council held in New Delhi on 18.01.2018

S. No.	Date	Subject
79	22-01-2018	Acceptance of UIN of foreign diplomatic missions / UN organizations while making supplies
80	22-01-2018	Press Note on Recommendations made by the GST Council in its 25th Meeting held on 18th January, 2018 at Delhi for the housing sector .
81	22-01-2018	Press Note on reduction of GST rate for admission to Amusement Parks etc
82	22-01-2018	Press Note threshold exemption on services by way of admission to events.
83	22-01-2018	Press Note on RWAs.
84	24-01-2018	Changes in the duty drawback rates of certain export items effective from 25.01.2018
85	25-01-2018	Changes in the drawback rates of certain export goods
86	16-02-2018	Circular on Orders of Supreme Court, High Courts and CESTAT accepted by the Department and on which no review petitions, SLPs have been filed.
87	01-03-2018	Enforcement Action for Fraud in GST Mumbai
88	12-03-2018	Recommendations made during the 26th meeting of the GST Council held in New Delhi on 10th March, 2018
89	16-03-2018	GST Export Refunds
90	28-03-2018	Refund Fortnight
91	31-03-2018	Clarification on E-Way Bill System
92	10-04-2018	Roll out of e-Way Bill system for intra-State movement of goods in the States of Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh from 15th April, 2018
93	17-04-2018	Press Release on clarification on the manner of filing the quarterly return by composition dealers in FORM GSTR-4
94	18-04-2018	Press Release on e-way bill for intra-State movement of goods for Bihar, Jharkhand, Haryana, Himachal Pradesh, Tripura and Uttarakhand from 20th April, 2018
95	23-04-2018	Press release with respect to the roll out of e-Way Bill system for intra-State movement of goods in the States / Union territory of Arunachal Pradesh, Madhya Pradesh, Meghalaya, Sikkim and Puducherry from 25.04.2018

S. No.	Date	Subject
96	23-04-2018	Press release with respect to clarification regarding requirement of e-Way Bill for 'Bill To Ship To' model of supply
97	27-04-2018	Press Release on Recording of UIN of Foreign Diplomatic Missions/UN organizations on invoices
98	27-04-2018	Recording of Unique Identity Number of Foreign Diplomatic Missions / UN Organisations on invoices while making supplies.
99	04-05-2018	Changes in the Shareholding Pattern of GSTN
100	04-05-2018	Return Simplification
101	04-05-2018	Changes in GST Rate
102	14-05-2018	Press Release on e-way bill for intra-State movement of goods for Assam & Rajasthan
103	18-05-2018	Extension of date for filing return in FORM GSTR-3B for the month of April, 2018.
104	23-05-2018	Press note in a case of arrest made by Central Tax, Delhi East Commissionerate.
105	24-05-2018	Press Release on e-way bill for intra-State movement of goods for Manipur, Maharashtra and UTs (without legislatures)
106	28-05-2018	Clarification on misleading reports appearing in certain section of the press
107	30-05-2018	Special Refund Fortnight from 31.05.2018 to 14.06.2018
108	31-05-2018	Press Release on e-way bill for intra-State movement of goods.
109	12-06-2018	CBIC Press Release dt 12.06.2018 on - "Extension of Special Refund Fortnight till 16.6.2018
110	14-06-2018	CBIC Press Release dt 14.06.2018 on - Change of email and mobile number of the authorized signatory by taxpayers with assistance from the jurisdictional tax officer
111	20-06-2018	CBIC Press Release dt 20.06.2018 on -"Refunds processed during second refund extended fortnight"
112	29-06-2018	Press Release for extension of suspension of provisions of TDS and TCS till 30.09.2018
113	29-06-2018	Press release with respect to GST Day

S. No.	Date	Subject
114	30-06-2018	CBIC Press Release dt 30.06.2018 on - Shri S. Ramesh taking over charge of CBIC Chairman.
115	12-07-2018	CBIC Press Release dt 12.07.2018 to inform GSTPs 116for exam.
116	12-07-2018	CBIC Press Release dt 12.07.2018 to invite bids for TP.
117	14-07-2018	CBIC Press Release dt 14.07.2018 on “Assumption Ceremony of the Vice Chair of the Asia Pacific Region of World Customs Organisation (WCO)”, for taking necessary action.
118	16-07-2018	Press Note on Assumption of the Vice Chair of the Asia Pacific Region for the World Customs Organisation (WCO)
119	16-07-2018	CBIC Press Release dt 16.07.2018 on - “CBIC to Observe Third Refund Fortnight to Clear Pending Refunds”
120	18-07-2018	CBIC Press Release dt 18.07.2018 on - “Nodal officers nominated for implementation of e-way bill system “
121	21-07-2018	CBIC Press Release dt 21.07.2018 on -Press Note on GST Law Amendments.
122	21-07-2018	CBIC Press Release dt 21.07.2018 on - Press Note on Trade friendly measures.
123	01-08-2018	Refunds Processed Under GST during the refund fortnight
124	01-08-2018	Fraudulent Issuance of Input Tax Credit Invoices
125	21-08-2018	Extension of last date for filing GST returns by taxpayers in Kerala, Mahe and Kodagu
126	21-08-2018	Extension of last date for filing GSTR-3B for July, 2018
127	10-09-2018	Passing Out Ceremony of 68th (2018) Batch IRS (C & CE) Officers
128	10-09-2018	Press Release on extension of dates of FORM GSTR-1 and GSTR-3B.
129	17-09-2018	Examination for confirmation of enrollment of GST practitioners
130	26-09-2018	Press Release on Tariff measures taken to curb the imports of non-essential items.
131	10-10-2018	Examination for confirmation of enrollment of gst practitioners

S. No.	Date	Subject
132	12-10-2018	Press release by CBIC regarding GST refunds
133	17-10-2018	Clarifying the manner of filing quarterly return by composition dealers in FORM GSTR-4.
134	18-10-2018	Last date to avail input tax credit in respect of invoices or debit notes relating to such invoices pertaining to period from July, 2017 to March, 2018
135	22-10-2018	Extension of due date to 25th October, 2018 for furnishing return in the FORM GSTR-3B for the month of September, 2018
136	01-11-2018	Quantum leap in Trading Across Border parameter of Ease of Doing Business rankings released by World Bank
137	01-11-2018	Press Release regarding examination for GST Practitioners
138	08-11-2018	CBIC Press Release dt. 8.11.2018 on - "Disposal of refunds"
139	09-11-2018	Advisory to UIN Entities claiming GST Refunds
140	14-11-2018	Press release for 28th WCO A/P Regional Contact Points meeting
141	20-11-2018	GSTP Examination rescheduled to 17th December 2018 in view of assembly elections on 7th December, 2018
142	28-11-2018	Press Releases on Extension of due dates for filing GST returns - reg.
143	29-11-2018	GSTPs in the relevant category enrolled on GSTN after 15.11.2018 and till 26.11.2018 are also invited to register on the portal
144	03-12-2018	Status of GST Refunds
145	05-12-2018	For GSTP Examination on 17.12.2018, candidates enrolled up-to 4.12.2018 (11.59.59 PM) will be eligible to register, instead of 26.11.2018, notified earlier
146	07-12-2018	Press Release for extension of due date for filing of Annual return FORMS GSTR-9, GSTR-9A and GSTR-9C to 31st March, 2019
147	08-12-2018	Effective tax rate on complex, building and flats
148	12-12-2018	Central Board of Indirect Taxes and Customs (CBIC) to notify Korean Won (WON) and Turkish Lira (TRY) in the list of currencies for exchange rate

S. No.	Date	Subject
149	22-12-2018	Formation of GoM in pursuance of the decisions of the 31st GST Council Meeting - Reg.
150	22-12-2018	Decisions taken by the GST Council in the 31st meeting held on 22nd December 2018 regarding GST rate on services
151	22-12-2018	Recommendations made during 31st Meeting of the GST Council held on 22nd December, 2018 (New Delhi)-Rate changes and clarification in Goods
152	22-12-2018	Recommendations made during 31st Meeting of the GST Council
153	22-12-2018	Certain important issues referred by GST Council to various Committees / GoM
154	22-12-2018	In-Principle approval given for Law Amendments during 31st Meeting of the GST Council
155	22-12-2018	Recommendations made during 31st Meeting of the GST Council held on 22nd December, 2018 (New Delhi)-Rate changes
156	27-12-2018	Green Footprints on the Sands of Time
157	10-01-2019	Recommendations made during 32nd Meeting of the GST Council held on 10th January, 2019
158	24-01-2019	Press Note on grant of Presidential Awards to the officers of the Central Board of Indirect Taxes and Customs and Directorate of Enforcement on the eve of the Republic Day 2019
159	25-01-2019	Press Release Investiture Ceremony & International Customs Day 25th January 2019
160	31-01-2019	Press Release on - "Swine Flu in NACIN Faridabad"
161	12-02-2019	Computer based examination under regulation 6 of the customs brokers licensing regulations, 2018 (as amended)
162	13-02-2019	Computer based Examination under Regulation 6 of the Customs Brokers Licensing Regulations, 2018 (as amended)
163	23-02-2019	Working Groups - Press Release

S. No.	Date	Subject
164	07-03-2019	Implementation of various decisions taken by the GST Council for the MSME sector
165	19-03-2019	Press release dated 19.03.2019 on the decisions taken by the GST Council in its 34th meeting held on 19.03.2019 .
166	21-04-2019	Extension of last date for furnishing return in FORM GSTR-3B for March, 2019 to 23.04.2019.
167	22-04-2019	Press Release regarding examination for GST Practitioners on 14.06.2019.
168	07-05-2019	Advertisement for GST Practitioners' Examination scheduled to be held on 14.06.2019 English
169	07-05-2019	FAQ on Real estate sector, dated 7th May, 2019
170	14-05-2019	Press Release-cum-Schedule in relation to GST Practitioner's Examination, 2019 on CBIC.
171	15-05-2019	Press Note regarding - Implementation of project 'SPARROW-CBIC' for online writing of Annual Performance Appraisal Report (APAR) in SPARROW (Smart Performance Appraisal Report Recording Online Window) for Group 'B' and 'C' Officers of Central Board of Indirect Taxes & Customs (CBIC), Ministry of Finance, Govt. of India
172	30-05-2019	Advertisement-cum-Schedule in relation to GST Practitioner's Examination, 2019
173	04-06-2019	Clarifications on filing on Annual Return (FORM GSTR-9)
174	11-06-2019	Transition Plan to the new GST Return.
175	20-06-2019	IGST refunds to the exporters for taking further necessary action.
176	28-06-2019	Press Release for GST Day function to be held on 1st July, 2019.
177	01-07-2019	Press release on conclusion of GST DAY, 2019, dated 1st July 2019.
178	03-07-2019	Second Press release on Annual Return (FORM GSTR-9) and Reconciliation Statement (FORM GSTR-9C).
179	03-07-2019	Clarification regarding Annual Returns and Reconciliation Statement, for taking necessary action.
180	04-07-2019	Press Release on Extension of last date for availing the benefit of alternate composition scheme.

S. No.	Date	Subject
181	19-07-2019	Clarification in respect of goods taken out of India for exhibition or on consignment basis for export promotion.
182	19-07-2019	Corrigendum to Circular No. 45/19/2018-GST dated 30th May, 2018.
183	23-07-2019	Clarification in respect of goods taken out of India for exhibition or on consignment basis for export promotion.
184	27-07-2019	Regarding decisions approved by the GST Council in its 36th meeting held on 27.07.2019 via video conference.
185	22-08-2019	Legacy Dispute Resolution Scheme, 2019
186	23-08-2019	Notice regarding Customs Brokers Examination, 2020.
187	26-08-2019	Press release for extension of due date for furnishing Annual Return and Reconciliation Statement.
188	20-09-2019	Decisions taken by the GST Council in its 37th Meeting held on 20.09.2019
189	20-09-2019	Decisions on Services taken by the GST Council in its 37th Meeting held on 20.09.2019 at Goa-reg
190	20-09-2019	Decisions taken by the GST Council in its 37th Meeting held on 20.09.2019
191	15-10-2019	Manufacture under bond under Section 65 of the Customs Act, 1962 and the launch of microsite
192	24-10-2019	Notice regarding GST Practitioners' Examination, 2019 - scheduled on 12.12.2019
193	24-10-2019	Notice regarding GST Practitioners' Examination, 2019 - scheduled on 12.12.2019
194	14-11-2019	Forms GSTR-9 and GSTR-9C have been simplified and last date for filing extended for 2017-18 and 2018-19
195	18-11-2019	Press Release for 29th Regional Contact Point of the WCO A/P
196	06-02-2020	CBIC introduces machine release of goods
197	11-02-2020	Central Board of Indirect Taxes and Customs (CBIC) destroys large quantities of Narcotics and psychotropic Drugs and Substances across the country.
198	01-07-2020	Press Release of message from Hon'ble Finance Minister and Hon'ble MoS (Finance) on the occasion of GST Day

S. No.	Date	Subject
199	01-07-2020	Finance Minister Strive to make GST Tax Administration simple ensuring Ease of Doing Business
200	18-09-2020	Press Release regarding the implementation of Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020)
201	09-10-2020	Press Release on Annual Return (GSTR-9) and Reconciliation Statement (GSTR 9C) for FY 2018-19
202	29-10-2020	Detection of evasion of customs duty by exporter on export of Iron Ore Fines; recovery of customs duty more than Rs. 8 Crore.
203	30-12-2020	Press Release issued on extending the date of furnishing of annual return under Central Goods and services Tax Act, 2017 for the financial year 2019-20

TaxGuru Edu Courses

Online Certification Courses

- ▶ Online Certification Course on Income Tax by TaxGuru Edu
- ▶ Online Certification Course on GST by TaxGuru Edu

Online Crash Courses

- ▶ Online Crash Course on Income Tax by TaxGuru Edu
- ▶ Online Crash Course on GST by TaxGuru Edu

Pendrive Certification Courses

- ▶ Latest GST Certification Course on Pen-drive by TaxGuru Edu

logon to www.taxguru.edu



COMPLETE ANALYSIS ON GST

Authored by **CA Raman Singla**

November 2019 Edition

Set of 3 Volumes

Price : Rs 4,995

(20% discount for limited period.
Coupon Code "TAXGURUEDU20")



www.gstprofessionals.com



Published by

TaxGuru Education LLP

509, Swapna Siddhi, Akurli Road,
Near Railway Station, Kandivali (East),
Mumbai – 400 101.
Ph: 8899117701



Price ₹ 1795/-