



(For Internal Dept. Use Only)

Handbook for GST Officers



*National Academy of Customs, Indirect Taxes and Narcotics (NACIN),
Andhra Pradesh Zonal Institute, Visakhapatnam*

(For Internal Dept. Use Only)



Handbook for GST Officers

(January 2024)

Compiled by
**National Academy of Customs, Indirect Taxes and
Narcotics (NACIN),
Andhra Pradesh Zonal Institute, Visakhapatnam**

Handbook for GST Officers

Copyright © 2024 by Publisher

First Edition: January, 2024

**Published by
National Academy of Customs, Indirect Taxes and Narcotics
(NACIN),
Andhra Pradesh ZTI,
3rd & 4th Floors,
Sriya Complex, Narasimhanagar,
Visakhapatnam – 530 024**

For training and internal use within NACIN/CBIC only

**Your valuable suggestions and feedback may be sent to
psadg.nacinvsp-cbec@gov.in**

Disclaimer: *This handbook is a compilation of select provisions of GST law meant for Departmental training and reference purposes. For ease of understanding, the provisions are tabulated and explained in simple terms. The publication is strictly for internal use within NACIN/CBIC and no portion of the publication can be quoted for legal purposes.*

Foreword


I am extremely happy that NACIN Zonal Campus, Visakhapatnam is bringing out a handy compilation of key provisions of GST Law and other Rules which are useful for officers in their day-to-day work.

While this handbook is primarily meant for the new Trainee officers entering CBIC, the book serves as a handy reference for any GST officer in the Country. Inclusion of extracts relating to Vigilance and Administration, viz., Conduct Rules, Leave Rules, Allowances, GFR, etc. make it a one-stop resource for all Departmental matters.

For Trainees, the print version serves as a veritable 'Text Book' during their Training period. It avoids the tedium of carrying and referring multiple Books, Bare Act texts etc. The compilation facilitates regular revision and retention of key legal provisions.

The assortment is made selective only to ensure the compilation is truly concise. The handbook will be updated at periodic intervals. Being the first edition, it needs active feedback and suggestions from the Departmental fraternity, so as to improve it in its next versions. ***(Your valuable comments on corrections, additions/deletions may kindly be e-mailed at psadg.nacinvsp-cbec@gov.in)***

I sincerely thank the Director General, NACIN, Dr. K. N. Raghavan, for active encouragement and support for this endeavour of NACIN ZTI, Vizag. I acknowledge the contribution of Shri KV Mohan Rao, AAD, Shri KVV Satyanarayana, Superintendent (CCO, Vizag), Shri AM Mathews, AD and Shri P Raghuvveer, CAO in making this compilation possible within a short span of time.



(Ravi Kiran Edara)
Additional Director General
NACIN, Visakhapatnam

CONTENTS

Sl.No	Description	Page Number
1	Introduction a. Taxation b. Basics of Indirect Taxation c. GST in India d. CBIC – Role and Functions	1
2	GST in Tables	10
3	CGST Act, 2017 – Arrangement of Sections	28
4	Key Sections of CGST Act	36
5	IGST Act, 2017 – Arrangement of Sections	148
6	Key Sections of IGST Act	150
7	CGST Rules, 2017 – Arrangement of Rules	167
8	Key Provisions of CGST Rules	177
9	Important Circulars/Instructions/FORMS in GST	206
10	Legal Maxims and Phrases	248
11	Central Civil Services (Conduct) Rules, 1964	253
12	General Financial Rules, 2017 (GFR)	272
13	Notes on Pay & Allowances of Inspector of Central Tax	287
14	Commonly used phrases by the Heads of the Department/Senior officers in Hindi	303

Introduction

Taxation:

‘Tax’ is defined in different ways. In simple words, it is ‘a compulsory financial contribution upon an activity’. Such an activity in legal terms is called **‘taxable event’**. The person (*individual person or a business organization*) who is undertaking such taxable event is liable to pay tax and he/she is called a **‘taxpayer’**. While the Legislature *levies* the tax by enacting a law, the Executive *collects* the tax and the Judiciary interprets and corrects the tax law and procedures, whenever they are called into question.

Taxation is an important source of revenue to the Governments. As per Article 265 of the Constitution of India, **“No tax shall be levied or collected except by authority of law”**. There are clearly spelt out lists giving powers of taxation to the Union, the States and the Local Bodies.

At the Union government level, Ministry of Finance takes care of tax administration through the Department of Revenue. All the taxes are broadly divided into ***Direct Taxes and Indirect Taxes***. The Department of Revenue has two Boards viz Central Board of Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC). They administer direct and indirect taxes, respectively.

Income Tax is tax levied on income earned by individuals. **Corporation Tax** is tax paid on a company’s taxable income. Both these taxes are direct taxes since the *tax is paid directly* by the individual/corporate to the Government.

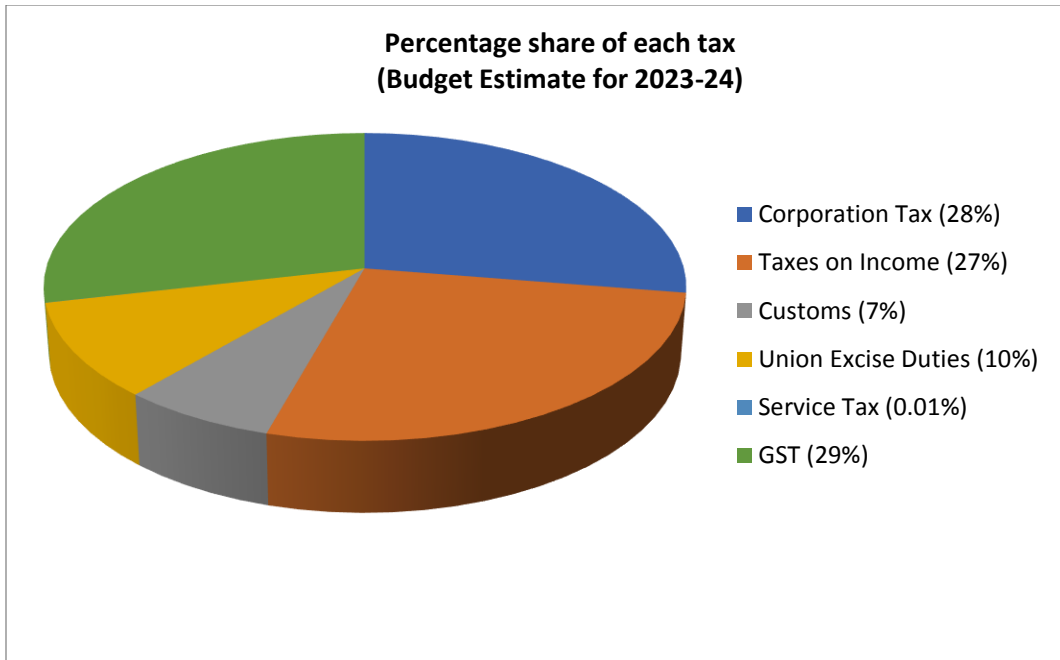
Customs Duty is levied on the value of goods imported or exported. Union Excise duties are levied on the manufacture of goods (*other than liquor for human consumption which is taxed by States and commonly referred as ‘State Excise’ duty.*) Despite the advent of GST, few

goods are still subject to ‘**Central Excise**’. ‘**Service Tax**’ which levied earlier on services was fully subsumed under GST. From 1-7-2017, **Goods and Services Tax (GST)** is the new levy on *supply* of goods or services or both. Customs, Central Excise, Service Tax and GST are all indirect taxes. They are indirect in the sense that they are *indirectly collected* by the Government from consumers/public via business entities. So, in case of indirect taxes, the ultimate consumer is the one who pays tax and the businesses (‘Taxpayers’) indeed ***collect the tax as a sort of agent of the Government.***

As per the Union Budget 2023-24, the composition of direct and indirect taxes to the Union (Gross Tax Revenue - Budget Estimates for 2023-24) is as below:

Nature of Tax	Name of the Tax and % Share	Budget Estimate for 2023-24 (In Rs. Crores)
Direct Tax	Corporation Tax (28%)	922675
	Taxes on Income (27%)	900575
Indirect Tax	Customs (7%)	233100
	Union Excise Duties (10%)	339000
	Service Tax* (0.01%)	500
	GST (29%)	956600

* *Small amounts of Service Tax dues are still accruing as arrears.*



Basics of Indirect Taxation:

In case of Direct Taxes, the tax burden is *directly borne* by the taxpayer whereas in the indirect taxes, the tax *burden is passed on* to the ultimate consumer. In addition to the value of supply, Consumers pay indirect tax component also which forms part of the Bill/Invoice. Such suppliers/businesses in turn have to pay that tax amount so collected to the Government, within stipulated time. Because of this ‘indirect’ nature, collection of indirect taxes assumes critical importance so as ***to ensure the taxes paid by the public/consumers indeed reaches the Government kitty and not pocketed by the Business entities.*** This aspect explains the significance of close monitoring of tax payments and prevention of revenue leakage by the Departmental officers.

Indirect taxes are basically **‘Consumption Taxes’**. Every person who consumes the goods or services or both, pays the tax. These are unlike Direct Taxes which are on Income earned and normally exempt for some persons and up to a certain income limit. Therefore, the rates of indirect taxes are decided based on the needs of economic levels of

consumers and items of consumption. Cost of collection of indirect taxes is also very low, especially in India. Certain exemptions are provided in the public interest. Conditional exemptions are also provided sometimes to encourage Trade and investment. Good practices of indirect taxation collection result in growth of GDP and exports, thereby favourable balance of trade and foreign exchange reserves.

Tax on Goods and Services (GST/VAT) is a well-known Indirect Tax. It is based on the principle of Value-Added Taxation. Globally, especially in countries of EU etc., Tax on Goods and Services is called as Value Added Tax (VAT). Thus, 'VAT' connotes both a name of a Tax (GST) and a principle of taxation. As the name suggests, VAT involves collection of tax *on value addition at each stage of the supply chain*. The net VAT payable by a taxpayer is arrived at by duly deducting the VAT already paid on inputs/input services [*called as Input Tax Credit (ITC)*] from the VAT amount payable on the output goods/services. This approach serves for elimination of '*cascading effect*' of taxation. If VAT is allowed to be levied and collected on each stage without giving the benefit of deduction of VAT already paid, it results in *payment of tax on tax*, thereby inflating the value of supply at each stage.

Thus, 'ITC' is almost like 'cash' for the taxpayer and therefore claiming of ITC, its actual eligibility, verification of the same and refund etc., are very important areas in any VAT regime.

Goods and Services Tax (GST) in India:

Spirit of federalism is one of the basic and fundamental features of our Constitution. The Seventh Schedule to the Constitution contains separate lists viz., Union List, State List and Concurrent List. These lists include powers of taxation by Union and State Legislatures. Accordingly, Income Tax, Corporate Tax, Duties of Central Excise (and earlier Service Tax) etc. were levied by the Parliament and collected by the Central Government. Similarly, "Sales Tax" / "Value Added Tax" was levied by the Legislatures of States on Sales of Goods and collected by the State

Executives concerned. In line with this legacy, when Goods and Services Tax (GST) was envisioned for India, a **‘Concurrent & Dual GST Model’** was adopted.

The Constitution (101st Amendment) Act, 2016 paved the way for rollout GST in India w.e.f 1-7-2017. Article 246A of the Constitution gave powers to the Parliament (‘CGST’) and State Legislatures (‘SGST’) to make law to levy GST on supply of goods or services or both and to Parliament to levy the tax (‘IGST’) where such supply takes place in the course of inter-State trade or commerce.

GST subsumed following taxes:

Taxes levied and collected by the Union	Taxes levied and collected by the States
Central Excise Duty (CENVAT) Additional Excise Duties Excise Duty levied under the Medicinal and Toiletries Preparations (Excise Duties) Act 1955 Service Tax Additional Customs Duty Special Additional Duty of Customs	Value Added Tax / Sales tax Entertainment tax Luxury tax Taxes on lottery, betting and gambling State Cesses and Surcharges in so far as they relate to supply of goods and services Octroi and Entry Tax Purchase Tax

Some of the features of India’s Goods and Services Tax:

- GST Council as Apex federal body (Art 279A)
- Destination-based consumption tax
- Concurrent ‘dual’ GST
- Components of GST – Central GST, State GST/Union Territory GST and Integrated GST
- Uniform Law by Union and States
- Taxable event is Supply of goods or services or both

- Multiple rates of tax
- Place of supply provisions to determine the destination of consumption
- Input Tax Credit on value addition
- Interface through IT-based system
- E-Way Bill System and Elimination of check posts at the borders of the States
- Provision of threshold limits so as to keep small businesses out of GST net
- Composition Scheme, so as to allow small players to opt out of ITC chain
- Distribution of assesseees between the Centre and the States for administering the tax in normal course (scrutiny, audit etc.) while providing “cross-empowerment” in case of intelligence-based investigation and enforcement
- Distribution of IGST proceeds between the Centre and the States

CBIC – Role & Functions:

Central Board of Indirect Taxes and Customs (CBIC) (*earlier known as ‘Central Board of Excise & Customs (CBEC)’*) is a part of the Department of Revenue under the Ministry of Finance, Government of India. It deals with the tasks of formulation of policy concerning levy and collection of Customs, Central Excise duty, Central Goods and Services Tax (CGST) and Integrated Goods and Services Tax (IGST). CBIC administers these taxes through its subordinate organizations, including Custom Houses, Central GST Commissionerates etc.,

Vision: Partnering in India’s socio-economic growth by formulating and implementing progressive indirect tax policies adopting stakeholder-centric approach and protecting the frontiers.

Mission: a robust indirect tax and border control administration, with a view towards delivery of services, *which is*

- Simple and predictable,

- Fair and just, Transparent,
- Technology-driven and
Which
- Encourages trust based voluntary compliance,
- Protects honest taxpayers' rights,
- Facilitates trade with risk-based enforcement,
- Enables legitimate movement of people, goods and services,
- Supplements the efforts to ensure national security, and
- Continually invests in capacity building to achieve professional and ethical excellence.

The motto of CBIC is “***Desh Sevarth Kar Sanchay***” i.e., “**Tax collection in Service of the Nation**”.

Core Values:

Integrity and judiciousness

Impartiality and Fairness

Courtesy and Understanding

Objectivity and Transparency

Uprightness and Conscientiousness

Promptness and Efficiency

Expectations:

CBIC expects citizens to:

Uphold and respect the laws of the land

Voluntarily discharge all tax liabilities

Fulfill their duties and legal obligations in time

Be honest in furnishing information

Be co-operative and forthright in inquiries and verifications

Avoid unnecessary litigation.

Commitment:

CBIC shall strive to:

To encourage voluntary compliance

To educate citizens about indirect tax laws

To continuously enhance service delivery standards

To promote a consultative and collaborative environment

To provide information and other assistance at the GST Seva Kendras/Facilitation Counters as also on the website www.cbic.gov.in

To effectively combat corruption as part of the comprehensive national mission for promotion of integrity

Grievance Redressal

CBIC will acknowledge grievances within 48 hours of receipt and attempt to provide final reply within 30 days of their receipt.

In case the grievance is not responded to within the prescribed time norms or the remedy offered is not satisfactory, an appeal can be filed with the next higher authority. The appeal will be decided within 15 days of the receipt.

Common grievances can be taken up in Open House meetings of Public Grievance Committee, Customs Clearance Facilitation Committee, Permanent Trade Facilitation Committee, Regional Advisory Committee.

The grievance redressal mechanism including contact details of public grievance officers are available on the website www.cbic.gov.in

CBIC – Organisational Structure:

CBIC has various Zones covering the whole country. The Zones are further divided into various **Commissionerates, Divisions and Ranges** for administering CGST and IGST (and Customs in case of some zones). In major cities, there are exclusive Customs Commissionerates (**‘Custom Houses’**) and even Zones to administer Customs duties.

In case of GST (and Central Excise), while **‘Executive’** Commissionerates handle matters of general and day-to-day compliance, there are exclusive **‘Audit’** and **‘Appeal’** Commissionerates for regular auditing of taxpayers’ businesses and to hear appeals filed by aggrieved taxpayers.

Aside from these '**Field Formations**', there are many "**Directorates**" which take care of specialized functions of the CBIC such as Human Resources (DGHRD), Revenue Intelligence in Customs (DRI), GST Intelligence and Investigation (DGGI), Training and Capacity Building (NACIN), Taxpayer Services (DGTS), Performance Management (DGPM), Vigilance (DGV), Analytics & Risk Management (DGARM), Legal Affairs (DLA), Logistics, Valuation, Export Promotion, Central Revenues Control Laboratories etc.

National Academy of Customs, Indirect Taxes & Narcotics ('**NACIN**') is one of such Directorates with a mandate to train all the new recruits in Group A, B & C cadres and serving officers. The Headquarters of NACIN is located at Palasamudram, Satya Sai District of Andhra Pradesh. It largely caters to the induction training of Direct Recruit Group-A (IRS (C&IT)) officers, Mid-career trainings of IRS (C&IT) Officers, International trainings etc. There are many Zonal Campuses of NACIN ('**ZTIs**') with a mandate to take up Induction Trainings for all cadres of officers and in-service training to all cadres.

Important Websites:

Ministry of Finance : <https://finmin.nic.in>

Department of Revenue : <https://dor.gov.in>

Central Board of Indirect Taxes and Customs (CBIC):

<https://www.cbic.gov.in/>

GST Portal for Taxpayers: <https://services.gst.gov.in/>

GST Council : <https://gstcouncil.gov.in>

GST Network : <https://gstn.org.in>

E-way Bill Portal : <https://ewaybillgst.gov.in>

E-Invoice Portal : <https://einvoice1.gst.gov.in>

Intranet portal for Departmental Officers:

<https://antarang.icegate.gov.in/> ,

<https://saksham.cbic.gov.in/>

GST in Tables

GST – At a Glance

Law	CGST Act, IGST Act, UT GST Act and SGST Acts of various States
Rules	CGST Rules, IGST Rules, UT GST Rules and SGST Rules of various States
Effective from	01.07.2017
Taxable event	Supply of goods or services or both
Goods that are presently not subjected to levy of GST	Petroleum Crude, Motor Spirit, High Speed Diesel, Aviation Turbine Fuel and Natural Gas
Rates	Zero, 5%, 12%, 18% & 28% in general. <i>Separate tax rate for precious metals</i>
Authority to recommend tax rates, changes etc.,	Goods and Services Tax Council
Aggregate Annual Turnover for registration <u>(Supply of Goods)</u>	Rs 40 Lakhs in the previous FY (for Normal Category States) Rs 20 Lakhs in the previous FY (for Special Category States) (w.e.f. 01.04.2019) <i>(Revision of limits is optional for the States)</i>
Aggregate Annual Turnover for registration <u>(Supply of Services)</u>	Rs. 20 Lakhs in the previous FY (for Normal Category States) Rs. 10 Lakhs in the previous year for Special Category States. (W.e.f. 01.07.2017)
Eligibility limit for Quarterly Return Monthly Payment (QRMP) & Invoice Furnishing Facility (IFF) Scheme	Rs 5 Cr. of Aggregate Annual Turnover in the previous year

Limit for Composition Levy	Aggregate Annual Turnover of Rs 1.5 Cr for Goods and Rs 50 Lakhs for Services, subject to other conditions
E-Way Bill exemption limit	Up to Rs. 50,000 (Value of goods)
E-Invoice exemption limit (w.e.f. 01.08.2023)	Businesses with < Rs 5 Cr of Aggregate Annual Turnover in the previous FY

1. TYPES OF SUPPLY

No.	Type	Definition/Reference	Nature	Implications
1	Taxable Supply	Section 7 of CGST Act	Taxable	GST to be paid
2	Non-Taxable/ Non-GST Supply	Exclusion in Section 9 of CGST Act	Not Taxable – (1) Outside purview of charging section (2) categories viz. Petroleum products and Alcohol for Human Consumption)	No GST is required to be paid unconditionally
3	Zero Rated Supply	Section 16 of IGST Act	Taxable	GST is payable if procedure of LuT/ Bond is not followed
4	Exempt Supply / Nil Rated Supply	Section 2(47) of CGST Act	Taxable but exempt	GST is not required to be paid
5	No Supply	Schedule III & Sec 7(2)(b) of CGST Act	Outside purview of GST Law	NO GST

2. MEANING AND SCOPE OF SUPPLY

SUPPLY INCLUDES	
For Consideration & for business	For Consideration whether or not for business
Sale, Barter, Transfer, Exchange, License, Rental, Lease, Disposal	Importation of service for Consideration
Supply without Consideration	
<ul style="list-style-type: none"> • Permanent transfer/disposal of business assets only where ITC has been availed • Supply b/w related persons and distinct person as specified • Supply of goods by agent to principal and vice-versa • Importation of service from related person or any of his other establishment outside India in course or furtherance of business 	
Supply by Club Etc.	
Activities or transactions, by a person other than an individual, to its members or constituents or vice=versa, for cash, deferred payment or other valuable consideration.	
Goods	Services
“Goods means every kind of movable property	“Services” means anything other than goods
Includes (1) actionable claim, (2) growing crops (3) grass and things attached to or forming part of the land	Includes (1) activity relating to the use of money or its conversion by cash or by any other mode, for which a separate consideration is charged
Excludes (1) Money (2) Securities	Excludes (1) Goods (2) Money (3) Securities

3. MIXED SUPPLY, COMPOSITE SUPPLY & PRINCIPAL SUPPLY

Mixed Supply Sec. 2(74)	Composite Supply Sec. 2(30)	Principal Supply Sec.2(90)
<ul style="list-style-type: none"> • Means two or more individual supplies of goods or services, or any combination thereof, • for a single price where such supply does not constitute a composite supply 	<ul style="list-style-type: none"> • Means a supply of two or more taxable supplies of goods or services, or any combination thereof, • which are naturally bundled & supplied in conjunction with each other in the ordinary course of business, • one of which is a principal supply; 	<ul style="list-style-type: none"> • Means the supply of goods or services which constituted the predominant element of a composite supply and • to which any other supply forming part of that composite supply is ancillary
<p>Illustration: A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drink 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.</p>	<p>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 the principal supply.</p>	

4. RETURNS UNDER GST

Form	Particulars	Taxpayer	Due Date
GSTR-1	Outward Supplies	Regular	11 th of next month
		QRMP	13 th of next month from end of quarter
GSTR-3B	Return	Regular	20 th next month

		QRMP	22nd/24 th of next month from end of quarter
GSTR-4	Annual Return	Composition Taxpayer	30 th April of next FY
GSTR-5	Return	NRTP	13 th of next month
GSTR-5A	Return	OIDAR	20 th of next month
GSTR-6	Return	Input Service Distributor	13 th of next month
GSTR-7	Return	Person liable to deduct TDS	20 th of next month
GSTR-8	Return	E-Commerce Operator	20 th of next month
GSTR-9	Annual Return	Regular	31 st dec of next FY
GSTR-9C	Reconciliation Statement	Regular	31 st dec of next FY
GSTR-10	Final Return	Registered Person	3 months from the date of cancellation
CMP-08	Quarterly Return	Composition Taxpayer	18 th of next month

Particulars with respect to Return:

(1) Registered person shall not be allowed to file GSTR-1/ GSTR-3B for current month if last GSTR-1 or GSTR-3B is not filed.

(2) In case of any error or omission, it can be rectified: -

- Up to the date of filing of the periodic return for the month of September following the end of the financial year to which such details pertain; or
- Filing of the relevant annual return, whichever is earlier.

5. REVERSE CHARGE MECHANISM UNDER SECTION 9(3) FOR GOODS AND SERVICES

No.	Description of Service	Recipient of Service	RCM w.e.f
1	Taxable Service Provided by person located in Non - Taxable Territory	Person Located in Taxable Territory other than non-Taxable online recipient	01-07-2017
2	GTA Service (If GTA does not exercise option to pay tax)	Factory / Society / Registered Person / Company / Partnership Firm / Casual Taxable Person	01-07-2017

3	Legal Consultancy Service	Business Entity	01-07-2017
4	Arbitral Tribunal Service	Business Entity	01-07-2017
5	Sponsorship Service	Body Corporate / Partnership firm	01-07-2017
6	Director Service	Company / Body Corporate	01-07-2017
7	Insurance Agent Service	Any person carrying insurance business	01-07-2017
8	Recovery Agent Service	Banking Co./NBFC/Financial Institution	01-07-2017
9	Transport of Goods in Vessel from Outside India up to custom station in India	Importer	01-07-2017
10	Transfer or use or enjoyment of Copyright Service	Publisher / Music Company / Producer*	01-07-2017
11	Services provided by Government / Local Authority excluding a) Renting of Immovable Property b) Services of Department of Post c) service w.r.t. an aircraft / vessel , inside / outside precincts of port / Airport d) Transport of goods or passenger	Business Entity	01-07-2017
12	Services Provided by Overseeing committee Members to RBI	RBI	13-10-2017
13	Renting of Immovable Property Service Provided by Government to Registered Person	Registered Person	25-01-2018
14	Services by individual Direct Selling Agent (DSA) to a banking co.	A banking company located in the taxable territory	27-07-2018

15	Services provided by business facilitator (BF) to a banking company	A banking company located in the taxable territory	01-01-2019
16	Services provided an agent of business correspondent (BC) to BC	A BC located in the taxable territory	01-01-2019
17	Security services provided by non-body corporate to registered person	A registered person located in the taxable territory	01-01-2019
18	Services by any person by way of TDR / FSI / Long Term Lease for commercial construction	Promoter	01-04-2019
19	Renting of Motor Vehicle	Body Corporate located in Taxable territory	01-10-2019
20	Services of Lending of Securities under Securities Lending Scheme	Borrower	01-10-2019
21	Renting of Residential dwelling for Residence	Registered Person	18-07-2022

*W.e.f. 01.10.2019 registered author will have an option to pay GST under onward charge basis

No	Description of Goods	Supplier of Goods	Receiver of Goods	RCM w.e.f.
1	Cashew nuts in shell	Agriculturist	Any Registered Person	01-07-2017
2	Bidi Wrapper Leaves (Tendu); Tobacco Leaves			01-07-2017
3	Raw Cotton			15-11-2017
4	Silk Yam	Manufacturer of Silk Yarn	Any Registered Person	01-07-2017
5	Supply of Lottery	Government	Lottery Distributor or Selling Agent	01-07-2017
6	Used vehicles, seized & confiscated goods, old & used goods, waste & scrap	Government	Any Registered Person	13-10-2017

7	Priority Sector Landing Certificate	Any Registered Person	Any Registered Person	28-05-2018
8	Mentha Oil	Unregistered Person	Any Registered Person	01-10-2021

6. REVERSE CHARGE U/S 9(4) ON THE SUPPLIES FROM UN-REGISTERED PERSONS

Date	Goods or Services acquired from Unregistered Person (URD Purchase)	Person Liable to pay tax
From 01.07.2017 to 12.10.2017	More than Rs. 5000/- per day	Any Registered Person
From 01.04.2019	Cement received by promoter from unregistered person	Promoter
	Capital Goods received by promoter from unregistered person	Promoter
	Goods/Services (Except TDR/FSI) which constitute shortfall from the minimum value (i.e.80%) of Goods/Services required to be purchased by a promoter from Registered Person	Promoter
From 01.10.2021	Mentha Oil	Any Registered Person

Note: Promoter shall have the same meaning as assigned to it in clause (zk) of section 2 of the RERA Act, 2016

7. REVERSE CHARGE UNDER SECTION 9(5) ON THE SERVICES SUPPLIED FROM ECO

No	Description of Services Provided through E-Commerce Operators	RCM w.e.f.
1	Transportation of passengers by a radio-taxi, motor cab, maxi cab and motorcycle	01/07/2017
2	Providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes	01/07/2017
3	Services by way of house- keeping, such as plumbing, carpentering etc.	22/08/2017

4	Transport of passengers, by any type of motor vehicles	01/01/2022
5	Restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises	01/01/2022

8. COMPOSITION SCHEME

Section	Supplier	Turnover Limit	Rate of GST	Limit of service portion
10(1) & 10(2) (Regular Composition Scheme)	Manufacturers	1.50 Crore# In Current FY & Previous FY*	1% of Aggregate Turnover (w.e.f. 01-01-2018)*	10% of turnover of Previous Financial Year OR 5 Lakhs Whichever is Higher (w.e.f. 01-02-2019)
	Restaurant service		5% of Aggregate Turnover (w.e.f. 01-07-2017)	
	Traders		1% of Taxable Supply (w.e.f. 01-07-2017)	
10(2A) (Mixed Composition Scheme)	Tax payers not eligible for above composition scheme (w.e.f. 01-04-2019)	50 Lakhs in Current FY & Previous FY	6% of Aggregate Turnover of goods and services (w.e.f. 01-04-2019)	50 Lakhs (w.e.f. 01-04-2019)

* Before 01-01-2018 it was 2% # For special category States limit is 75 Lakh

Conditions for Eligibility under Composition Scheme

- (1) He is not engaged in supply of service (other than restaurant services) more than the limit specified above.
- (2) He is not engaged in making supply of goods and services which are not leviable to tax.
- (3) He is not engaged in making inter-state outward supplies of goods and services.
- (4) He is not engaged in making supply of goods and services through an electronic commerce operator who is required to collect tax at source under section 52
- (5) He is not a manufacturer of Tobacco, Pan masala, Aerated water & Ice-cream.

- (6) He is not a Casual Taxable Person or Non-Resident Taxable Person.
- (7) Composition scheme option is available on Permanent Account Number (PAN) basis. So, the firm who has opted for composition scheme in one state has to opt for composition scheme in other states compulsorily.
- (8) Value of deposits, loans & advances shall not be considered for computing Aggregate Turnover for determining eligibility of this scheme, to determine tax payable under this scheme & for determining value of turnover in state/UT for the purpose of second proviso to section 10(1).
- 9) Value of supplies made from 1st April of FY up to the date when such person becomes liable for registration under this Act for computing Aggregate Turnover for determining eligibility under this scheme. However, it will not be considered to determine tax payable u/s 10

9. INPUT TAX CREDIT PROVISIONS

Entitlement of Credit of Input tax in respect of input held in stock and Inputs contained in Semi-Finished or Finished Goods	Person Eligible	Point in time
		Person who has applied for registration within 30 days from the date he become liable and has been granted certificate of registration
	Person who has taken Voluntary Registration u/s 25(3) of GST Act	On the day Immediately preceding the date of registration
	Registered Taxable person ceases to pay tax u/s 10 i.e. Composition Levy (switch over to normal levy)	On the day immediately preceding the date from which he becomes liable to pay tax under section 9
Banking company or a financial institution or a NBFC	An amount equal to 50% of the eligible ITC on inputs, capital goods, input services can be avail in that month & rest shall lapse.	
Reversal of Input Tax Credit	ITC on Goods/Services	
	Situations	Consequences
	Partly used for business	ITC attributable to business purposes will be eligible
	Partly used for other purpose	
Partly used for taxable supply*	ITC attributable to taxable supply will be eligible	
Partly used for non-taxable supply		

	*Taxable supply shall include zero rated supply but exclude exempted supply Where recipient fails to pay to the supplier, the amount of value of supply along with tax payable thereon within a period of 180 days from the date of issue of invoice by the supplier, the said amount shall be added to his output tax liability along with interest.	
Restrictions to avail / utilise ITC	Rule 36(4): ITC as per Books - 50000- Eligible ITC as per GST-2A/GSTR-2B- 35000	
	Time Period	Restriction% ITC Available
	From 1.1.2017	NA to 9.10.2019 50000
	From 10.10.19 to 31.12.2019	120% of 2A/2B 42000/- (120% of 35000)
	From 1.1.2020 to 31.12.2020	110% of 2A/2B 38500/- (110% of 35000)
	From 1.1.2021 to 31.12.2021	105% of 2A/2B 36750/- (105% of 35000)
From 1.1.2022 Onwards	100% of 2A/2B 35000 /- (100% of 35000)	

Rule 86B: Registered persons (other than specifically excluded) having value of taxable supply more than 50 Lakhs (other than exempt supply & zero-rated supply) in a month will not be allowed to utilise ITC more than 99% Output Tax liability of that month. However, Rule 86 B will not be applicable in following cases:

- Tax payer have paid more than 1 Lakh of Income tax in each of last two EY
- Where taxpayer have received refund of unutilized ITC of 1 Lakh in previous F.Y. on account of export of goods/services or supplies to SEZ under LUT or inverted duty structure.
- Tax payer has discharged his tax liability through electronic cash ledger which is more than 1% of total tax liability applied cumulatively upto current month.
- Tax payer is Government Department, Public Sector Undertaking, Local Authority or Statutory Body

10. ITC AVAILABILITY ON WORKS CONTRACT SERVICES

No.	Types of Inward Supply	Types of Property	Use of the Property for	Type of Expenditure	Credit Eligibility
1	Works Contract	Immovable Property	Own use	Capital	No
				Revenue	Yes
			Further supply of works Contract Service	Capital	Yes
				Revenue	Yes
			Further supply of other service (e.g. Renting, etc.)	Capital	No
				Capital or Revenue	Yes
2	Goods or Services	Plant & Machinery#	Any Business use	Capital or Revenue	Yes
				Immovable Property	Own use
		Revenue	Yes		
		Further supply of works Contract Service	Capital	No	
			Revenue	Yes	
		Plant & Machinery#	Any Business use	Capital or Revenue	Yes

The expression “Plant and machinery” means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are use for making outward supply of goods or services or both and includes such foundation and structural support but excludes- (I) Building of any other civil structures; (II) Telecommunications towers; and (III) Pipelines laid outside the factory premises.

11. PLACE OF SUPPLY OF GOODS

Particulars	Location of Supplier AND Recipient is in India
Movement of Goods	Place where movement of goods terminates for delivery to the recipient
Supply on direction of Third Person	Principal place of business of such third person
Supply without movement	Location of goods at the time of delivery to recipient

Supply of goods assembled or installed at site	Place where such assembly or installation took place
Supply on Board Conveyance	Location at which goods are taken on board
Others	As per law or Parliament based on Council's suggestion
Particulars	Location of Supplier OR Recipient is Outside India
Import of Goods in India	Location of Importer
Export of Goods Outside India	Location outside India

12. PLACE OF SUPPLY OF SERVICES

Particulars	Location of Supplier AND Recipient is in India	Location of Supplier OR Location of Recipient is Outside India
General Provision	<ul style="list-style-type: none"> • Supply to Registered Person- Location of such person • Supply to Unregistered Person- Location of recipient where the address is on record; and in other cases, location of supplier of service 	<ul style="list-style-type: none"> • Location of recipient • If location of recipient is not available -location of supplier of service
Immovable property incl. Hotel, Inn, etc.	<ul style="list-style-type: none"> • Locations of such property • Property outside India - Location of recipient 	<ul style="list-style-type: none"> • Location of such property
Restaurant, personal grooming, fitness Training & Performance Appraisal Service	<ul style="list-style-type: none"> • Location where the services are performed • Supply to Registered Person – Location of such person • Supply to unregistered person – location where services are performed 	<ul style="list-style-type: none"> • Place of Performance • This rule shall not apply to any Goods which are temporarily imported for repairs or any treatment or process & are re-exported without any use.
Admission to a cultural, sporting event/amusement facility etc.	<ul style="list-style-type: none"> • Place where event is actually held or where the park or such other place is located 	<ul style="list-style-type: none"> • Place where event is actually held
Organization of a cultural, sporting event, fair, exhibition etc.	<ul style="list-style-type: none"> • Supply to Registered Person- Location of such person • Supply to any other person- location where event is held • If event is held outside India – location of recipient 	<ul style="list-style-type: none"> • Place where event is actually held
Goods Transportation	<ul style="list-style-type: none"> • Supply to Registered Person- Location of such person 	<ul style="list-style-type: none"> • General provision (W.e.f. 01.10.2023)

Service including mail & Courier	<ul style="list-style-type: none"> • Supply to any other person-location where goods are handed over for their transportation 	
Passenger Transportation Service	<ul style="list-style-type: none"> • Supply to Registered Person-Location of such person • Supply to any other person-location from where the passenger embarks on the conveyance for a continuous journey 	<ul style="list-style-type: none"> • Location from where the passenger embarks on the conveyance for a continuous journey
Services provided on board a conveyance	<ul style="list-style-type: none"> • Location of first scheduled point of departure of that conveyance 	<ul style="list-style-type: none"> • Location of first scheduled point of departure of that conveyance
Banking & other financial services	<ul style="list-style-type: none"> • Location of recipient as per record of supplier • If record is not available-location of supplier of service 	<ul style="list-style-type: none"> • Location of recipient of service
Insurance Services	<ul style="list-style-type: none"> • Supply to Registered Person-Location of such person • Supply to any other person-location from where the passenger embarks on the 	<ul style="list-style-type: none"> • Location of recipient of service
Online information and database access or retrieval services	<ul style="list-style-type: none"> • As per General Provisions 	<ul style="list-style-type: none"> • Location of recipient of service
Intermediary Services	<ul style="list-style-type: none"> • As per General Provisions 	<ul style="list-style-type: none"> • Location of recipient of service
Hiring of means of transport for less than a month (Incl. Yachts but excludes Aircrafts and Vessels)	<ul style="list-style-type: none"> • As per General Provisions 	<ul style="list-style-type: none"> • Location of recipient of service

13. TIME OF SUPPLY OF GOODS

Normal Continuous Supply	<p>Earliest of</p> <ul style="list-style-type: none"> • Date of issue of invoice or last date of invoice required to issue - Invoice shall issue on date of removal of goods or date on which goods made available to recipient
Reverse Charge	<p>Earliest of</p> <ul style="list-style-type: none"> • Date of receipt of goods • Date of payment - earlier of entered in books or debited in bank • Date immediately following thirty days from the date of issue of invoice by the supplier

	If not possible to determine from above date of entry in books of recipient
Other Cases	In case of supply of vouchers, supply shall be -date of issue of voucher, if supply is identifiable at that point or -the date of redemption of voucher, in all other cases If time of supply is not determinable -in a case where a periodical return has to be filed, be the date on which such return is to be filed, or -in any other case, be the date on which the CGST/SGST is paid

14. TIME OF SUPPLY OF SERVICES

Normal Continuous Supply	Earliest of <ul style="list-style-type: none"> • Date of issue of invoice or last date of invoice required to issue Invoice shall issue before or after the provision of service but within period prescribed • Date on which supplier receives payment
Reverse Charge	Earliest of <ul style="list-style-type: none"> • Date of payment earlier of entered in books or debited in bank • Date immediately following Sixty days from the date of issue of invoice by the supplier If not possible to determine from above date of entry in books of recipient
Other Cases	In case of supply of vouchers, supply shall be -date of issue of voucher, if supply is identifiable at that point or -the date of redemption of voucher, in all other cases If time of supply is not determinable -in a case where a periodical return has to be filed, be the date on which such return is to be filed, or -in any other case, be the date on which the CGST/SGST is paid

15. LIABILITY ON THE ADVANCE RECEIVED FOR GOODS

Particulars	From 01.07.17 to 12.10.2017	From 13.10.10 to 14.11.17	From 15.11.17 onwards
Any amount	Yes	Yes	No
Turnover up to Rs 1.50 Crore	Yes	No	No

16. LIABILITY ON THE ADVANCE RECEIVED FOR SERVICES

Particulars	From 01.07.17 to 12.10.2017	From 13.10.10 to 14.11.17	From 15.11.17 onwards
--------------------	------------------------------------	----------------------------------	------------------------------

Any amount	Yes	Yes	Yes
Aggregate Turnover up to Rs 1.50 Crore	Yes	Yes	Yes

17. GST RATE APPLICABILITY ON RATE CHANGE

Supply of goods of Services before change in rate of Tax

No	Invoice issued on	Payment received on	Point of Taxation
1	After change of rate	After change of rate	Whichever of earlier
2	Before change of rate	After change of rate	Invoice date
3	After change of rate	Before change of rate	Payment date

Supply of goods of Services before change in rate of Tax

No	Invoice issued on	Payment received on	Point of Taxation
1	Before change of rate	After change of rate	Payment date
2	Before change of rate	Before change of rate	Whichever is earlier
3	After change of rate	Before change of rate	Invoice date

18. MONETARY LIMIT FOR ISSUE OF NOTICES UNDER SECTIONS 73 & 74

Central Tax Officer	Monetary Limit
Superintendent	Up to 20 lacs
Deputy of Assistant Commissioner	20 lacs to 2 Crores
Additional or Joint Commissioner	More than 2 crores

19. SALIENT INGREDIENTS OF SECTIONS 73 & 74

Particulars	Tax not paid/ short paid/ erroneously refunded on account of	
	Other than fraud/willful/ misstatement/ suppression of facts	fraud/willful/ misstatement/ suppression of facts
Time period for issue of notice	3 Months prior to issuance of order	6 Months prior to issuance of order

Time period for issue of order	Three years from Due date of filing of Annual Return. In case of Refund, three years from the date of refund	Five years from Due date of filing of Annual Return. In case of Refund, three years from the date of refund
Levy of Penalty before service of Notice	No penalty, if Tax + Interest is paid	Penalty of 15%, if Tax + Interest is paid
Levy of Penalty after issue/ Communication of Notice	No penalty, if Tax + Interest is paid within 30 days of issue of notice	Penalty @ 25%, if Tax + Interest is paid within 30 days of communication of notice
Levy of Penalty in the order	10% of the tax or 10,000/- whichever is higher	Penalty @ 50%, if Tax + Interest is paid within 30 days of communication of order else 100% of tax

e-Invoice:

What is 'e-invoicing'?	<p>As per Rule 48(4) of CGST Rules, notified class of taxpayers have to “prepare” their GST invoice by uploading specified particulars of invoice (in FORM GST INV-01) on Invoice Registration Portal (IRP) and obtain an Invoice Reference Number (IRN).</p> <p>After following above ‘<i>e-invoicing</i>’ process, the invoice copy containing <i>inter alia</i>, the IRN (with QR Code) issued by the notified supplier to buyer is commonly referred to as ‘<i>e-invoice</i>’ in GST.</p> <p>Because of the standard e-invoice schema (INV-01), ‘e-invoicing’ facilitates exchange of the invoice document (structured invoice data) between a supplier and a buyer in an integrated electronic format.</p> <p>‘e-invoicing’ doesn’t mean generation of invoice by a Government portal.</p>
For which businesses, e-	For Registered persons whose aggregate turnover (based on PAN) in any preceding financial year (from 2017-18

invoicing is mandatory?	onwards) is <i>more than prescribed limit (as per relevant notification)</i> , e-invoicing is mandatory.
What are the advantages of e-invoice for businesses?	e-invoice has many advantages for businesses such as <i>Auto-reporting of invoices into GST return, auto-generation of e-way bill (where required)</i> . e-invoicing will also facilitate <i>standardisation and interoperability leading to reduction of disputes among transacting parties, improve payment cycles, reduction of processing costs and thereby greatly improving overall business efficiency</i> .
What documents are presently covered under e-invoicing?	<ul style="list-style-type: none"> i. Invoices ii. Credit Notes iii. Debit Notes, <p>when issued by notified class of taxpayers (<i>to registered persons (B2B) or for the purpose of Exports</i>) are currently covered under e-invoice.</p> <p>Though different documents are covered, for ease of reference and understanding, the system is referred as ‘e-invoicing’.</p>
How to verify an invoice is duly reported to IRP?	<p>One can verify the authenticity or correctness of e-invoice by uploading the signed JSON file or Signed QR Code (string) on e-invoice portal: einvoice1.gst.gov.in > Search > <u>‘Verify Signed Invoice’</u> <u>(https://einvoice1.gst.gov.in/Others/VSignedInvoice)</u></p> <p>Alternatively, with “Verify QR Code” mobile app which may be downloaded from einvoice1.gst.gov.in > Help > Tools > <u>Verify QR Code App</u> <u>(https://einvoice1.gst.gov.in/Others/QRCodeVerifyApp)</u></p>
More Information on e-invoice	https://www.gstn.org.in/e-invoicing

THE CENTRAL GOODS AND SERVICES TAX ACT, 2017
(ARRANGEMENT OF SECTIONS)

CHAPTER I
PRELIMINARY SECTIONS

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

CHAPTER II
ADMINISTRATION

3. Officers under this Act.
4. Appointment of officers.
5. Powers of officers.
6. Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances.

CHAPTER III
LEVY AND COLLECTION OF TAX

7. Scope of supply.
8. Tax liability on composite and mixed supplies.
9. Levy and collection.
10. Composition levy.
11. Power to grant exemption from tax.

CHAPTER IV
TIME AND VALUE OF SUPPLY

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

CHAPTER V
INPUT TAX CREDIT

16. Eligibility and conditions for taking input tax credit.
17. Apportionment of credit and blocked credits.
18. Availability of credit in special circumstances.

19. Taking input tax credit in respect of inputs and capital goods sent for job work.
20. Manner of distribution of credit by Input Service Distributor.
21. Manner of recovery of credit distributed in excess.

CHAPTER VI REGISTRATION

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

CHAPTER VII TAX INVOICE, CREDIT AND DEBIT NOTES

31. Tax invoice.
 - 31A. Facility of digital payment to recipient.
32. Prohibition of unauthorised collection of tax.
33. Amount of tax to be indicated in tax invoice and other documents.
34. Credit and debit notes.

CHAPTER VIII ACCOUNTS AND RECORDS

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

CHAPTER IX RETURNS

37. Furnishing details of outward supplies.
38. Communication of details of inward supplies and input tax credit.

39. Furnishing of returns.
40. First return.
41. Availment of input tax credit.
42. [*Omitted.*].
43. [*Omitted.*].
- 43A. [*Omitted.*].
44. Annual return.
45. Final return.
46. Notice to return defaulters.
47. Levy of late fee.
48. Goods and services tax practitioners.

CHAPTER X PAYMENT OF TAX

49. Payment of tax, interest, penalty and other amounts.
 - 49A. Utilisation of input tax credit subject to certain conditions.
 - 49B . Order of utilisation of input tax credit.
50. Interest on delayed payment of tax.
51. Tax deductions at source.
52. Collection of tax at source.
53. Transfer of input tax credit.
 - 53A. Transfer of certain amounts.

CHAPTER XI REFUNDS

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

**CHAPTER XII
ASSESSMENT**

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

**CHAPTER XIII
AUDIT**

- 65. Audit by tax authorities.
- 66. Special audit.

**CHAPTER XIV
INSPECTION, SEARCH, SEIZURE AND ARREST**

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

**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.
- 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.
- 75. General provisions relating to determination of tax.
- 76. Tax collected but not paid to Government.

77. Tax wrongfully collected and paid to Central Government or State Government.
78. Initiation of recovery proceedings.
79. Recovery of tax.
80. Payment of tax and other amount in instalments.
81. Transfer of property to be void in certain cases.
82. Tax to be first charge on property.
83. Provisional attachment to protect revenue in certain cases.
84. Continuation and validation of certain recovery proceedings.

CHAPTER XVI

LIABILITY TO PAY IN CERTAIN CASES

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

CHAPTER XVII

ADVANCE RULING

95. Definitions.
96. Authority for advance ruling.
97. Application for advance ruling.
98. Procedure on receipt of application.
99. Appellate Authority for Advance Ruling. Appeal to Appellate Authority.
100. Orders of Appellate Authority.

- 101A. Constitution of National Appellate Authority for Advance Ruling.
- 101B. Appeal to National Appellate Authority.
- 101C. Order of National Appellate Authority.
- 101. Rectification of advance ruling.
- 102. Applicability of advance ruling.
- 103. Advance ruling to be void in certain circumstances.
- 104. Powers of Authority, Appellate Authority and National Appellate Authority.

CHAPTER XVIII

APPEALS AND REVISION

- 105. Appeals to Appellate Authority.
- 106. Powers of Revisional Authority.
- 107. Constitution of Appellate Tribunal and Benches thereof.
- 108. President and Members of Appellate Tribunal, their qualification, appointment, conditions of service, etc.
- 109. Procedure before Appellate Tribunal.
- 110. Appeals to Appellate Tribunal.
- 111. Orders of Appellate Tribunal.
- 112. Financial and administrative powers of President.
- 113. Interest on refund of amount paid for admission of appeal.
- 114. Appearance by authorised representative.
- 115. Appeal to High Court.
- 116. Appeal to Supreme Court.
- 117. Sums due to be paid notwithstanding appeal, etc.
- 118. Appeal not to be filed in certain cases.
- 119. Non-appealable decisions and orders.

CHAPTER XIX

OFFENCES AND PENALITIS

- 122. Penalty for certain offences.
- 123. Penalty for failure to furnish information return.
- 124. Fine for failure to furnish statistics.

125. General penalty.
126. General disciplines related to penalty.
127. Power to impose penalty in certain cases.
128. Power to waive penalty or fee or both.
129. Detention, seizure and release of goods and conveyances in transit.
130. Confiscation of goods or conveyances and levy of penalty.
131. Confiscation or penalty not to interfere with other punishments.
132. Punishment for certain offences.
133. Liability of officers and certain other persons.
134. Cognizance of offences.
135. Presumption of culpable mental state.
136. Relevancy of statements under certain circumstances.
137. Offences by companies.
138. Compounding of offences.

CHAPTER XX

TRANSITIONAL PROVISIONS

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

CHAPTER XXI

MISCELLANEOUS

143. Job work procedure.
144. Presumption as to documents in certain cases.
145. Admissibility of micro films, facsimile copies of documents and computer printouts as documents and as evidence.
146. Common Portal.
147. Deemed exports.
148. Special procedure for certain processes.
149. Goods and services tax compliance rating.

150. Obligation to furnish information return.
151. Power to collect statistics.
152. Bar on disclosure of information.
153. Taking assistance from an expert.
154. Power to take samples.
155. Burden of proof.
156. Persons deemed to be public servants.
157. Protection of action take under this Act.
158. Disclosure of information by a public servant.
159. Publication of information in respect of persons in certain cases.
160. Assessment proceedings, etc., not to be invalid on certain grounds.
161. Rectification of errors apparent on the face of record.
162. Bar on jurisdiction of civil courts.
163. Levy of fee.
164. Power of Government to make rules.
165. Power to make regulations.
166. Laying of rules, regulations and notifications.
167. Delegation of powers.
168. Power to issue instructions or directions.
 - 168A. Power of Government to extend time limit in special circumstances.
169. Service of notice in certain circumstances.
170. Rounding off of tax, etc.
171. Anti-profiteering measure.
172. Removal of difficulties.
173. Amendment of Act 32 of 1994.
174. Repeal and saving.

SCHEDULE I.

SCHEDULE II.

SCHEDULE III.

Key Sections of CGST Act, 2017

Section	Description
2	Definitions
7	Scope of supply
8	Tax liability on composite and mixed supplies
9	Levy and collection
10	Composition levy
11	Power to grant exemption from tax
12	Time of Supply of Goods
13	Time of Supply of Services
14	Change in rate of tax in respect of supply of goods or services
15	Value of Taxable Supply
16	Eligibility and conditions for taking input tax credit
17	Apportionment of credit and blocked credits
18	Availability of credit in special circumstances
19	Taking input tax credit in respect of inputs and capital goods sent for job work
20	Manner of distribution of credit by Input Service Distributor
21	Manner of recovery of credit distributed in excess
22	Persons liable for registration
23	Persons not liable for registration
24	Compulsory registration in certain cases
29	Cancellation or suspension of registration
30	Revocation of cancellation of registration
31	Tax invoice
32	Prohibition of unauthorized collection of tax
33	Amount of tax to be indicated in tax invoice and other documents
34	Credit and debit notes
35	Accounts and other records
39	Furnishing Returns
41	Claim of input tax credit and provisional acceptance thereof
44	Annual return
45	Final return

49	Payment of tax, interest, penalty and other amounts
49A	Utilization of input tax credit subject to certain conditions
49B	Order of utilization of input tax credit
50	Interest on delayed payment of tax
51	Tax deduction at source
52	Collection of tax at source
54	Refund of tax
55	Refund in certain cases
56	Interest on delayed refunds
59	Self-assessment
60	Provisional assessment
61	Scrutiny of returns
62	Assessment of non-filers of returns
63	Assessment of unregistered persons
64	Summary assessment in certain special cases
65	Audit by tax authorities
66	Special audit
67	Power of inspection, search and seizure
68	Inspection of goods in movement
69	Power to arrest
70	Power to summon persons to give evidence and produce documents
71	Access to business premises
72	Officers to assist proper officers
73	Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized for any reason other than fraud or any willful-misstatement or suppression of facts
74	Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized by reason of fraud or any willful-misstatement or suppression of facts
75	General provisions relating to determination of tax
76	Tax collected but not paid to Government

77	Tax wrongfully collected and paid to Central Government or State Government
78	Initiation of recovery proceedings
79	Recovery of tax
122	Penalty for certain offences
123	Penalty for failure to furnish information return
125	General penalty
126	General disciplines related to penalty
127	Power to impose penalty in certain cases
129	Detention, seizure and release of goods and conveyances in transit
130	Confiscation of goods or conveyances and levy of penalty
143	Job work procedure
155	Burden of proof
156	Persons deemed to be public servants
Schedule I	Activities to be treated as supply even if made without consideration
Schedule II	Activities or transactions to be treated as supply of goods or supply of services
Schedule III	Activities which shall be treated neither as a supply of goods nor a supply of services

Key Sections of CGST Act

Section 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

(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 Indirect Taxes and Customs] the Revisional Authority, the Authority for Advance Ruling, the Appellate Authority for Advance Ruling, the Appellate Authority, the Appellate Tribunal and the Authority referred to in sub-section (2) of section 171

(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;

(11) "**assessment**" means determination of tax liability under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment;

(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;

(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) 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";]

(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;

(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;

(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;

(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;

(37) "**credit note**" means a document issued by a registered person under sub-section (1) of section 34;

(38) "**debit note**" means a document issued by a registered person under sub-section (3) of section 34;

(39) "**deemed exports**" means such supplies of goods as may be notified under section 147;

(40) "**designated authority**" means such authority as may be notified by the 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;

(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;

(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;

(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;

(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;

(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;

(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 4[and article 371J] 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;

(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;

[(80A) "**online gaming**" means offering of a game on the internet or an electronic network and includes online money gaming;

(80B) "**online money gaming**" means online gaming in which players pay or deposit money or money's worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force;]

(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;

(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;

(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;

(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;

(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;

(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;

[Explanation. "For the removal of doubts, it is hereby clarified that the expression "services" includes facilitating or arranging transactions in securities;]

(102A) "**specified actionable claim**" means the actionable claim involved in or by way of-

(i) betting;

(ii) casinos;

(iii) gambling;

(iv) horse racing;

(v) lottery; or

(vi) online money gaming;"

(103) "**State**" includes a Union territory with Legislature;

(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;

[Provided that a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims;]

(107) "**taxable person**" means a person who is registered or liable to be registered under section 22 or section 24;

(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;

(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 and Daman and Diu;
- (d) Ladakh]
- (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;

(117) "**valid return**" means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full;

(117A) "**virtual digital asset**" shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income-tax Act, 1961;

(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;

Section 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;

[(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration.

Explanation."For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another;]

(b) import of services for a consideration whether or not in the course or furtherance of business; [and]

(c) the activities specified in Schedule I, made or agreed to be made without a consideration;

(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.

(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), (1A) 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.

Section 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.

Section 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 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) 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:...

Section 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 exceed one crore and fifty lakh rupees w.e.f. 1st April 2019, may opt to pay, in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax 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 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.]

....

(2) The registered person shall be eligible to opt under sub-section (1), if-

- (a) save as provided in sub-section (1), he is not engaged in the supply of services]
- (b) he is not engaged in making any supply of goods [or services] which are not leviable to tax under this Act;
- (c) he is not engaged in making any inter-State outward supplies of goods [or services]
- (d) he is not engaged in making any supply of services] through an electronic commerce operator who is required to collect tax at source under section 52;
- (e) he is not a manufacturer of such goods as may be notified by the Government on the recommendations of the 5[Council; and]
- (f) he is neither a casual taxable person nor a non-resident taxable person]

[(2A) 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, not eligible to opt to pay tax under sub-section (1) and sub-section (2), 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 under sub-section (1) of section 9, an amount of tax calculated at such rate as may be prescribed, but not exceeding three per cent. of the turnover in State or turnover in Union territory, if he is not"

- (a) engaged in making any supply of goods or services which are not leviable to tax under this Act;
- (b) engaged in making any inter-State outward supplies of goods or services;
- (c) engaged in making any supply of services through an electronic commerce operator who is required to collect tax at source under section 52;
- (d) a manufacturer of such goods or supplier of such services as may be notified by the Government on the recommendations of the Council; and
- (e) a casual taxable person or a non-resident taxable person:

(3) The option availed of by a registered person under sub-section (1) 3[or sub-section (2A), as the case may be] shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the limit specified under sub-section (1) [or sub-section (2A), as the case may be]

(4) A taxable person to whom the provisions of sub-section (1) 3[or, as the case may be, sub-section (2A)] 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) [or sub-section (2A), as the case may be] 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.

- (i) supplies from the first day of April of a financial year upto the date when such person becomes liable for registration under this Act; and
- (ii) exempt supply of services provided by way of extending deposits, loans

or advances in so far as the consideration is represented by way of interest or discount]

Section 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 ... or order issued ... 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 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.....

Section 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 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.

Section 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 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 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.

Section 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.

Section 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.

(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.

Section 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;

(aa) the details of the invoice or debit note referred to in clause (a) has been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note in the manner specified under section 37;

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 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.

(ba) the details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted

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 paid by him along with interest payable under section 50 , 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 to the supplier 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 thirtieth day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Provided that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for the month of March, 2019 in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details under sub-section (1) of said section for the month of March, 2019.

Section 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 subsection (1) of section 18, input tax credit shall not be available in respect of the following, 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.".]

(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.

(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;

(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013

(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, section 129 and section 130.

(6) The Government may prescribe the manner in which the credit referred to in subsections (1) and (2) may be attributed.

Section 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:
- 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:

(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.

Section 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.

Section 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.

Section 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.

Section 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:
- (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.

Section 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) Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.]

Section 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; 1[who is required to collect tax at source under section 52]
- (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;
- (xia) every person supplying online money gaming online money gaming from a place outside India to a person in India; and
- (xii) such other person or class of persons as may be notified by the Government on the recommendations of the Council.....

Section 29: Cancellation or suspension] 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 is no longer liable to be registered under section 22 or section 24 or intends to optout of the registration voluntarily made under sub-section (3) of section 25]

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.

(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 there under as may be prescribed; or

(b) a person paying tax under section 10 has not furnished the return for a financial year beyond three months from the due date of furnishing the said return ; or

(c) any registered person, other than a person specified in clause (b), has not furnished returns for such continuous tax period as may be prescribed; 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.

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

(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.

Section 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 such manner, within such time and subject to such conditions and restrictions, as may be prescribed.

(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;

(b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a)]

(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.

Section 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,'

(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;

(b) subject to the condition mentioned therein, specify the categories of services in respect of which'

(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(ii) 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:
- 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.

Section 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.

Section 33: Amount of tax to be indicated in tax invoice and other documents

Not with standing 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.

Section 34: Credit and debit notes.

(1) Where one or more tax invoices have 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 one or more credit notes for supplies made in a financial year 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 **the thirtieth day of November 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 one or more tax invoices have] 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 [one or more debit notes for supplies made in a financial year] 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.

Section 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.

(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.

Section 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, or section 51 or section 52 shall, for every calendar month or part thereof, furnish, 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, in such form and manner, and within such time, as may be prescribed:

Provided that the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a

return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein.

(2) A registered person paying tax under the provisions of section 10, shall, for each financial year or part thereof, furnish a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, tax paid and such other particulars in such form and manner, and within such time, as may be prescribed.]

(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 thirteen 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), other than the person referred to in the proviso thereto, 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:

Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, in such form and manner, and within such time, as may be prescribed,"

(a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month; or

(b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.]

Provided further that every registered person furnishing return under sub-section (2) shall pay to the Government the tax due taking into account turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, and such other particulars during a quarter, in such form and manner, and within such time, as may be prescribed.]

(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) Where] 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 1[in such form and manner as may be prescribed subject to payment of interest under this Act:

Provided that no such rectification of any omission or incorrect particulars shall be allowed after thirtieth day of November following the end of the financial year to which such details pertain, 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 or the details of outward supplies under sub-section (1) of section 37 for the said tax period has not been furnished by him:

(11) A registered person shall not be allowed to furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return:

Section 41: Availment of input tax credit.

(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to avail the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited to his electronic credit ledger.

(2) The credit of input tax availed by a registered person under sub-section (1) in respect of such supplies of goods or services or both, the tax payable whereon has not been paid by the supplier, shall be reversed along with applicable interest, by the said person in such manner as may be prescribed:

Provided that where the said supplier makes payment of the tax payable in respect of the aforesaid supplies, the said registered person may re-avail the amount of credit reversed by him in such manner as may be prescribed.

Section 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 which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section:

Section 45: Final return.

Every registered person who is required to furnish a return under subsection (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.

Section 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 restrictions 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;

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.

(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;

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]

(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.

(10) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for,"

(a) integrated tax, central tax, State tax, Union territory tax or cess; or

(b) integrated tax or central tax of a distinct person as specified in sub-section (4) or, as the case may be, subsection (5) of section 25, in such form and manner and subject to such conditions and restrictions as may be prescribed and such transfer shall be deemed to be a refund from the electronic cash ledger under this Act:

Provided that no such transfer under clause (b) shall be allowed if the said registered person has any unpaid liability in his electronic liability register

(11) Where any amount has been transferred to the electronic cash ledger under this Act, the same shall be deemed to be deposited in the said ledger as provided in sub-section (1)

Section 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.

Section 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.

Section 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 there under, 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.

Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger

(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) Where the input tax credit has been wrongly availed and utilised, the registered person shall pay interest on such input tax credit wrongly availed and utilised, at such rate not exceeding twenty-four per cent. as may be notified by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.

Section 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) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed

(4) Omitted

(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.

Section 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.

(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 thirtieth day of November 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 or section 39 , 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.

(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement:

Section 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 such form and manner as may be prescribed.

(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, 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 export of goods or services or both or on inputs or input services used in making such exports;

(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.

(8A) The Government may disburse the refund of the State tax in such manner as may be prescribed]

(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 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.

(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.

Section 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.

Section 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 1[for the period of delay beyond sixty days from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed]

Provided that where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate ribunal 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).

Section 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.

Section 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.

Section 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.

Section 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 judgment 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 ⁴[sixty 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.

Provided that where the registered person fails to furnish a valid return within sixty days of the service of the assessment order under sub-section (1), he may furnish the same within a further period of sixty days on payment of an additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of the said assessment order and in case he furnishes valid return within such extended period, the said

assessment order shall be deemed to have been withdrawn, but the liability to pay interest under sub section (1) of section 50 or to pay late fee under section 47 shall continue.]

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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.

Section 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 1[sections 122 and 125] 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.

Section 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.

Explanation. "For the purposes of this sub-section, the expression "self-assessed tax" shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.

(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.

Section 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.

Section 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.

Section 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.

Section 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.

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.

Section 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.

(1A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.]

(1B) Any electronic commerce operator who

(i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;

(ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or

(iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, 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 there under;
- 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.

Section 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

Section 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

Section 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.

Section 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.

Section 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

Section 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 penalty equal to two 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 penalty;
- b) on payment of penalty equal to fifty per cent. of the value of the goods or two hundred per cent. of the tax payable on such goods, whichever is higher, 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 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.

(3) The proper officer detaining or seizing goods or conveyance shall issue a notice within seven days of such detention or seizure, specifying the penalty payable, and thereafter, pass an order within a period of seven days from the date of service of such notice, for payment of penalty under clause (a) or clause (b) of sub-section (1).]

(4) No 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.

2[(6) Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty under sub-section (1) within fifteen days from the date of receipt of the copy of the order passed under sub-section (3), the goods or conveyance so detained or seized shall be liable to be sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable under sub-section (3):

Provided that the conveyance shall be released on payment by the transporter of penalty under sub-section (3) or one lakh rupees, whichever is less:

Provided further 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 fifteen days may be reduced by the proper officer.]

Section 130: Confiscation of goods or conveyances and levy of penalty.

(1) Where 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 penalty equal to hundred per cent. of the tax payable on such goods:

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

(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.

Section 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.

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

(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 sub-section (1) within a period of one year of their being sent out, it shall be deemed that such inputs had been supplied by the principal to the job-worker on the day when the said inputs were sent out.

(4) Where the capital goods, other than moulds and dies, jigs and fixtures, or tools, sent for job work are not received back by the principal in accordance with 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.

Section 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

Section 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.

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 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 OR TRANSACTIONS 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, , 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, 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.

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 specified actionable claims.
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.]

Explanation 1."For the purposes of paragraph 2, the term "court" includes District Court, High Court and Supreme Court.

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.

IGST Act, 2017 – Arrangement of Sections

CHAPTER-I PRELIMINARY	
Section-1	Short title, extent and commencement.
Section-2	Definitions.
CHAPTER-II ADMINISTRATION	
Section-3	Appointment of officers.
Section-4	Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances.
CHAPTER-III LEVY AND COLLECTION OF TAX	
Section-5	Levy and collection.
Section-6	Power to grant exemption from tax.
CHAPTER-IV DETERMINATION OF NATURE OF SUPPLY	
Section-7	Inter-State supply.
Section-8	Intra-State supply.
Section-9	Supplies in territorial waters.
CHAPTER-V PLACE OF SUPPLY OF GOODS OR SERVICES OR BOTH	
Section-10	Place of supply of goods other than supply of goods imported into, or exported from India.
Section-11	Place of supply of goods imported into, or exported from India.
Section-12	Place of supply of services where location of supplier and recipient is in India.
Section-13	Place of supply of services where location of supplier or location of recipient is outside India.
Section-14	Special provision for payment of tax by a supplier of online information and database access or retrieval services.
Section-14A	Special provision for specified actionable claims supplied by a person located outside taxable territory

CHAPTER-VI REFUND OF INTEGRATED TAX TO INTERNATIONAL TOURIST	
Section-15	Refund of integrated tax paid on supply of goods to tourist leaving India.
CHAPTER-VII ZERO RATED SUPPLY	
Section-16	Zero rated supply.
CHAPTER-VIII APPORTIONMENT OF TAX AND SETTLEMENT OF FUNDS	
Section-17	Apportionment of tax and settlement of funds.
Section-17A	Transfer of certain amounts.
Section-18	Transfer of input tax credit.
Section-19	Tax wrongfully collected and paid to Central Government or State Government.
CHAPTER-IX MISCELLANEOUS	
Section-20	Application of provisions of Central Goods and Services Tax Act.
Section-21	Import of services made on or after the appointed day.
Section-22	Power to make rules.
Section-23	Power to make regulations.
Section-24	Laying of rules, regulations and notifications.
Section-25	Removal of difficulties.

Key Sections of IGST Act, 2017

Section	Description
2	Definitions
4	Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances
7	Inter-State supply.
8	Intra-State supply.
10	Place of supply of goods other than supply of goods imported into, or exported from India.
11	Place of supply of goods imported into, or exported from India.
12	Place of supply of services where location of supplier and recipient is in India.
13	Place of supply of services where location of supplier or location of recipient is outside India.
14	Special provision for payment of tax by a supplier of online information and database access or retrieval services.
14A	Special provision for specified actionable claims supplied by a person located outside taxable territory
16	Zero rated supply
20	Application of provisions of Central Goods and Services Tax Act.

Section 2: Definitions.

(Some of the important definitions)

(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.

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; or in Indian rupees wherever permitted by the Reserve Bank of India] 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;

(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;

(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 unregistered person receiving online information and database access or retrieval services located in taxable territory.

Explanation. "For the purposes of this clause, the expression "unregistered person" includes a person registered solely in terms of clause (vi) of section 24 of the Central Goods and Services Tax Act, 2017]

(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 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, excluding the online money gaming as defined in 12 of 2017. clause (80B) of section 2 of the Central Goods and Services Tax Act, 2017;

(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;

(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;

Section 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.

Section 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.

Section 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.

Section 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;

(ca) where the supply of goods is made to a person other than a registered person, the place of supply shall, notwithstanding anything contrary contained in clause (a) or clause (c), be the location as per the address of the said person recorded in the invoice issued in respect of the said supply and the location of the supplier where the address of the said person is not recorded in the invoice.

Explanation.-For the purposes of this clause, recording of the name of the State of the said person in the invoice shall be deemed to be the recording of the address of the said person;

(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.

Section 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.

Section 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 subsections (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.

(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....

(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....

(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.

Section 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 subsections (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:

¹[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;]

(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.

(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.

(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.]

Section 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 nontaxable 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.

Section 14A: Special provision for specified actionable claims supplied by a person located outside taxable territory

(1) A supplier of online money gaming as defined in clause (80B) of section 2 of the Central Goods and Services Tax Act, 2017, not located in the taxable territory, shall in respect of the supply of online money gaming by him to a person in the taxable territory, be liable to pay integrated tax on such supply.

(2) For the purposes of complying with provisions of sub-section (1), the supplier of online money gaming shall obtain a single registration under the Simplified Registration Scheme referred to in sub-section (2) of section 14 of this Act:

Provided that any person located in the taxable territory representing such supplier for any purpose in the taxable territory shall get registered and pay the 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 shall 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.

(3) In case of failure to comply with provisions of sub-section (1) or sub-section (2) by the supplier of the online money gaming or a person appointed by such supplier or both, notwithstanding anything contained in section 69A of the Information Technology Act, 2000, any information generated, transmitted, received or hosted in any computer resource used for supply of online money gaming by such supplier shall be liable to be blocked for access by the public in such manner as specified in the said Act.]

CGST Rules, 2017 – Arrangement of Rules

Rule 1	Short title and Commencement
Rule 2	Definitions
Rule 3	Intimation for composition levy
Rule 4	Effective date for composition levy
Rule 5	Conditions and restrictions for composition levy
Rule 6	Validity of composition levy
Rule 7	Rate of tax of the composition levy
Rule 8	Application for registration
Rule 9	Verification of the application and approval
Rule 10	Issue of registration certificate
Rule 10A	Furnishing of Bank Account Details
Rule 10B	Aadhaar authentication for registered person
Rule 11	Separate registration for multiple places of business within a State or a Union territory
Rule 12	Grant of registration to persons required to deduct tax at source or to collect tax at source
Rule 13	Grant of registration to non-resident taxable person
Rule 14	Grant of registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient
Rule 15	Extension in period of operation by casual taxable person and non-resident taxable person
Rule 16	Suomoto registration
Rule 17	Assignment of Unique Identity Number to certain special entities
Rule 18	Display of registration certificate and Goods and Services Tax Identification Number on the name board
Rule 19	Amendment of registration

Rule 20	Application for cancellation of registration
Rule 21	Registration to be cancelled in certain cases
Rule 21A	Suspension of registration
Rule 22	Cancellation of registration
Rule 23	Revocation of cancellation of registration
Rule 24	Migration of persons registered under the existing law
Rule 25	Physical verification of business premises in certain cases
Rule 26	Method of authentication
Rule 27	Value of supply of goods or services where the consideration is not wholly in money
Rule 28	Value of supply of goods or services or both between distinct or related persons, other than through an agent
Rule 29	Value of supply of goods made or received through an agent
Rule 30	Value of supply of goods or services or both based on cost
Rule 31	Residual method for determination of value of supply of goods or services or both
Rule 31A	Value of supply in case of lottery, betting, gambling and horse racing
Rule 32	Determination of value in respect of certain supplies
Rule 32A	Value of supply in cases where Kerala Flood Cess is applicable
Rule 33	Value of supply of services in case of pure agent
Rule 34	Rate of exchange of currency, other than Indian rupees, for determination of value
Rule 35	Value of supply inclusive of integrated tax, central tax, State tax, Union territory tax
Rule 36	Documentary requirements and conditions for claiming input tax credit
Rule 37	Reversal of input tax credit in the case of non-payment of consideration

Rule 37A	Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof
Rule 38	Claim of credit by a banking company or a financial institution
Rule 39	Procedure for distribution of input tax credit by Input Service Distributor
Rule 40	Manner of claiming credit in special circumstances
Rule 41	Transfer of credit on sale, merger, amalgamation, lease or transfer of a business
Rule 41A	Transfer of credit on obtaining separate registration for multiple places of business within a State or Union territory
Rule 42	Manner of determination of input tax credit in respect of inputs or input services and reversal thereof
Rule 43	Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases
Rule 44	Manner of reversal of credit under special circumstances
Rule 44A	Manner of reversal of credit of Additional duty of Customs in respect of Gold dore bar
Rule 45	Conditions and restrictions in respect of inputs and capital goods sent to the job worker
Rule 46	Tax invoice
Rule 46A	Invoice-cum-bill of supply
Rule 47	Time limit for issuing tax invoice
Rule 48	Manner of issuing invoice
Rule 49	Bill of supply
Rule 50	Receipt voucher
Rule 51	Refund voucher
Rule 52	Payment voucher
Rule 53	Revised tax invoice and credit or debit notes
Rule 54	Tax invoice in special cases

Rule 55	Transportation of goods without issue of invoice
Rule 55A	Tax Invoice or bill of supply to accompany transport of goods
Rule 56	Maintenance of accounts by registered persons
Rule 57	Generation and maintenance of electronic records
Rule 58	Records to be maintained by owner or operator of godown or warehouse and transporters
Rule 59	Form and manner of furnishing details of outward supplies
Rule 60	Form and manner of ascertaining details of inward supplies
Rule 61	Form and manner of furnishing of return
Rule 61A	Manner of opting for furnishing quarterly return
Rule 62	Form and manner of submission of statement and return
Rule 63	Form and manner of submission of return by non-resident taxable person
Rule 64	Form and manner of submission of return by persons providing online information and database access or retrieval services
Rule 65	Form and manner of submission of return by an Input Service Distributor
Rule 66	Form and manner of submission of return by a person required to deduct tax at source
Rule 67	Form and manner of submission of statement of supplies through an ecommerce operator
Rule 67A	Manner of furnishing of return or details of outward supplies by short messaging service facility
Rule 68	Notice to non-filers of returns
Rule 69	[Omitted]****
Rule 70	[Omitted]****
Rule 71	[Omitted]****

Rule 72	[Omitted]****
Rule 73	[Omitted]****
Rule 74	[Omitted]****
Rule 75	[Omitted]****
Rule 76	[Omitted]****
Rule 77	[Omitted]****
Rule 78	Matching of details furnished by the e-Commerce operator with the details furnished by the supplier
Rule 79	[Omitted]****
Rule 80	Annual return
Rule 81	Final return
Rule 82	Details of inward supplies of persons having Unique Identity Number
Rule 83	Provisions relating to a goods and services tax practitioner
Rule 83A	Examination of Goods and Services Tax Practitioners
Rule 83B	Surrender of enrolment of goods and services tax practitioner
Rule 84	Conditions for purposes of appearance
Rule 85	Electronic Liability Register
Rule 86	Electronic Credit Ledger
Rule 86A	Conditions of use of amount available in electronic credit ledger
Rule 86B	Restrictions on use of amount available in electronic credit ledger
Rule 87	Electronic Cash Ledger
Rule 88	Identification number for each transaction
Rule 88A	Order of utilization of input tax credit
Rule 88B	Manner of calculating interest on delayed payment of tax

Rule 88C	Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return
Rule 89	Application for refund of tax, interest, penalty, fees or any other amount
Rule 90	Acknowledgement
Rule 91	Grant of provisional refund
Rule 92	Order sanctioning refund
Rule 93	Credit of the amount of rejected refund claim
Rule 94	Order sanctioning interest on delayed refunds
Rule 95	Refund of tax to certain persons
Rule 95A	[Omitted]****
Rule 96	Refund of integrated tax paid on goods or services 220exported out of India
Rule 96A	Export of goods or services under bond or Letter of Undertaking
Rule 96B	Recovery of refund of unutilised input tax credit or integrated tax paid on export of goods where export proceeds not realised
Rule 96C	Bank Account for credit of refund
Rule 97	Consumer Welfare Fund
Rule 97A	Manual filing and processing
Rule 98	Provisional Assessment
Rule 99	Scrutiny of returns
Rule 100	Assessment in certain cases
Rule 101	Audit
Rule 102	Special Audit
Rule 103	Qualification and appointment of members of the Authority for Advance Ruling

Rule 104	Form and manner of application to the Authority for Advance Ruling
Rule 105	Certification of copies of advance rulings pronounced by the Authority
Rule 106	Form and manner of appeal to the Appellate Authority for Advance Ruling
Rule 107	Certification of copies of the advance rulings pronounced by the Appellate Authority
Rule 107A	Manual filing and processing
Rule 108	Appeal to the Appellate Authority
Rule 109	Application to the Appellate Authority
Rule 109A	Appointment of Appellate Authority
Rule 109B	Notice to person and order of revisional authority in case of revision
Rule 109C	Withdrawal of Appeal
Rule 110	Appeal to the Appellate Tribunal
Rule 111	Application to the Appellate Tribunal
Rule 112	Production of additional evidence before the Appellate Authority or the Appellate Tribunal
Rule 113	Order of Appellate Authority or Appellate Tribunal
Rule 114	Appeal to the High Court
Rule 115	Demand confirmed by the Court
Rule 116	Disqualification for misconduct of an authorised representative
Rule 117	Tax or duty credit carried forward under any existing law or on goods held in stock on the appointed day
Rule 118	Declaration to be made under clause (c) of sub-section (11) of section 142
Rule 119	Declaration of stock held by a principal and job-worker
Rule 120	Details of goods sent on approval basis

Rule 120A	Revision of declaration in FORM GST TRAN-1
Rule 121	Recovery of credit wrongly availed
Rule 122	[Omitted]****
Rule 123	Constitution of the Standing Committee and Screening Committees
Rule 124	[Omitted]****
Rule 125	[Omitted]****
Rule 126	Power to determine the methodology and procedure
Rule 127	Functions of the Authority
Rule 128	Examination of application by the Standing Committee and Screening Committee
Rule 129	Initiation and conduct of proceedings
Rule 130	Confidentiality of information
Rule 131	Cooperation with other agencies or statutory authorities
Rule 132	Power to summon persons to give evidence and produce documents
Rule 133	Order of the Authority
Rule 134	[Omitted]****
Rule 135	Compliance by the registered person
Rule 136	Monitoring of the order
Rule 137	[Omitted]****
Rule 138	Information to be furnished prior to commencement of movement of goods and generation of e-way bill
Rule 138A	Documents and devices to be carried by a person-in-charge of a conveyance
Rule 138B	Verification of documents and conveyances
Rule 138C	Inspection and verification of goods
Rule 138D	Facility for uploading information regarding detention of vehicle

Rule 138E	Restriction on furnishing of information in PART A of FORM GST EWB-01
Rule 139	Inspection, search and seizure
Rule 140	Bond and security for release of seized goods
Rule 141	Procedure in respect of seized goods
Rule 142	Notice and order for demand of amounts payable under the Act
Rule 142A	Procedure for recovery of dues under existing laws
Rule 143	Recovery by deduction from any money owed
Rule 144	Recovery by sale of goods under the control of proper officer
Rule 144A	Recovery of penalty by sale of goods or conveyance detained or seized in transit
Rule 145	Recovery from a third person
Rule 146	Recovery through execution of a decree, etc
Rule 147	Recovery by sale of movable or immovable property
Rule 148	Prohibition against bidding or purchase by officer
Rule 149	Prohibition against sale on holidays
Rule 150	Assistance by police
Rule 151	Attachment of debts and shares, etc
Rule 152	Attachment of property in custody of courts or Public Officer
Rule 153	Attachment of interest in partnership
Rule 154	Disposal of proceeds of sale of goods or conveyance and movable or immovable property
Rule 155	Recovery through land revenue authority
Rule 156	Recovery through court
Rule 157	Recovery from surety
Rule 158	Payment of tax and other amounts in instalments

Rule 159	Provisional attachment of property
Rule 160	Recovery from company in liquidation
Rule 161	Continuation of certain recovery proceedings
Rule 162	Procedure for compounding of offences

Key Provisions of CGST Rules

Rule 2. Definitions. –

In these rules, unless the context otherwise requires, -

- (a) "Act" means the Central Goods and Services Tax Act, 2017 (12 of 2017);
- (b) "Form" means a Form appended to these rules;
- (c) "section" means a section of the Act;
- (d) "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 (28 of 2005);
- (e) words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

Rule 21A. Suspension of registration. -

(1) Where a registered person has applied for cancellation of registration under rule 20, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration under rule 22

(2) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29 or under rule 21, he may, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration under rule 22.

(2A) Where, a comparison of the returns furnished by a registered person under section 39 with

- (a) the details of outward supplies furnished in **FORM GSTR-1**; or

(b) the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their FORM GSTR-1 , or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, his registration shall be suspended and the said person shall be intimated in **FORM GST REG-31** , electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences and anomalies and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.]

(3) A registered person, whose registration has been suspended under sub-rule (1) or sub-rule (2) or sub-rule (2A), shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39.

(3A) A registered person, whose registration has been suspended under sub-rule (2) or sub-rule (2A), shall not be granted any refund under section 54, during the period of suspension of his registration.

(4) The suspension of registration under sub-rule (1) or sub-rule (2) or sub-rule (2A) shall be deemed to be revoked upon completion of the proceedings by the proper officer under rule 22 and such revocation shall be effective from the date on which the suspension had come into effect.

Provided that the suspension of registration under this rule may be revoked by the proper officer, anytime during the pendency of the proceedings for cancellation, if he deems fit.

Provided further that where the registration has been suspended under sub-rule (2A) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of section 29 and the registration has not already been cancelled by the proper officer under rule 22, the suspension

of registration shall be deemed to be revoked upon furnishing of all the pending returns.

(5) Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.

Rule 22. Cancellation of registration. -

(1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in **FORM GST REG-17**, requiring him to show cause, within a period of seven working days from the date of the service of such notice, as to why his registration shall not be cancelled.

(2) The reply to the show cause notice issued under sub-rule (1) shall be furnished in **FORM REG-18** within the period specified in the said sub-rule.

(3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in **FORM GST REG-19** , within a period of thirty days from the date of application submitted under rule 20 or, as the case may be, the date of the reply to the show cause issued under sub-rule (1), or under sub-rule (2A) of rule 21A cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing him to pay arrears of any tax, interest or penalty including the amount liable to be paid under sub-section (5) of section 29 .

Where the reply furnished under sub-rule (2) [or in response to the notice issued under sub-rule(2A) of rule 21A] is found to be satisfactory, the proper officer shall drop the proceedings and pass an order in **FORM GST REG -20**

Provided that where the person instead of replying to the notice served under sub-rule (1) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of section 29, furnishes all the pending returns and makes full payment of the tax dues along with applicable interest and late fee, the proper officer shall drop the proceedings and pass an order in

FORM GST-REG 20

(5) The provisions of sub-rule (3) shall, *mutatis mutandis*, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.as extended by the Additional Commissioner or the Joint Commissioner or the Commissioner, as the case may be, in exercise of the powers provided under the proviso to sub-section (1) of section 30, at the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that no application for revocation shall be filed, if the registration has been cancelled for the failure of the registered person to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns:

Provided further that all returns due for the period from the date of the order of cancellation of registration till the date of the order of revocation of cancellation of registration shall be furnished by the said person within a period of thirty days from the date of order of revocation of cancellation of registration:

Rule 23. Revocation of cancellation of registration. -

(1) A registered person, whose registration is cancelled by the proper officer on his own motion, may subject to the provisions of rule 10B] submit an application for revocation of cancellation of registration, in

FORM GST REG-21, to such proper officer, within a period of thirty days from the date of the service of the order of cancellation of registration or within such time period

Provided also that where the registration has been cancelled with retrospective effect, the registered person shall furnish all returns relating to period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration within a period of thirty days from the date of order of revocation of cancellation of registration].

- (2) (a) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in **FORM GST REG-22** within a period of thirty days from the date of the receipt of the application and communicate the same to the applicant.

(b) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in **FORM GST REG-05**, reject the application for revocation of cancellation of registration and communicate the same to the applicant.
- (3) The proper officer shall, before passing the order referred to in clause (b) of sub-rule (2), issue a notice in **FORM GST REG-23** requiring the applicant to show cause as to why the application submitted for revocation under sub-rule (1) should not be rejected and the applicant shall furnish the reply within a period of seven working days from the date of the service of the notice in **FORM GST REG-24**.
- (4) Upon receipt of the information or clarification in **FORM GST REG-24**, the proper officer shall proceed to dispose of the application in the manner specified in sub-rule (2) within a period of thirty days

from the date of the receipt of such information or clarification from the applicant.

Rule 36. Documentary requirements and conditions for claiming input tax credit. -

(1) The input tax credit shall be availed by a registered person, including the Input Service Distributor, on the basis of any of the following documents, namely, -

- (a) an invoice issued by the supplier of goods or services or both in accordance with the provisions of section 31;
- (b) an invoice issued in accordance with the provisions of clause (f) of sub-section (3) of section 31, subject to the payment of tax;
- (c) a debit note issued by a supplier in accordance with the provisions of section 34;
- (d) a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports;
- (e) an Input Service Distributor invoice or Input Service Distributor credit note or any document issued by an Input Service Distributor in accordance with the provisions of sub-rule (1) of rule 54.

(2) Input tax credit shall be availed by a registered person only if all the applicable particulars as specified in the provisions of Chapter VI are contained in the said document:

Provided that if the said document does not contain all the specified particulars but contains the details of the amount of tax charged, description of goods or services, total value of supply of goods or services or both, GSTIN of the supplier and recipient and place of supply in case of inter-State supply, input tax credit may be availed by such registered person.

(3) No input tax credit shall be availed by a registered person in respect of any tax that has been paid in pursuance of any order where any demand has been confirmed on account of any fraud, willful misstatement or suppression of facts.

(4) No input tax credit shall be availed by a registered person in respect of invoices or debit notes the details of which are required to be furnished under subsection (1) of section 37 unless, -

(a) the details of such invoices or debit notes have been furnished by the supplier in the statement of outward supplies in **FORM GSTR-1** or using the invoice furnishing facility; and

(b) the details of input tax credit in respect of such invoices or debit notes have been communicated to the registered person in **FORM GSTR-2B** under sub-rule (7) of rule 60.

Rule 37. Reversal of input tax credit in the case of non-payment of consideration. -

(1) A registered person, who has availed of input tax credit on any inward supply of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, but fails to pay to the supplier thereof, the amount towards the value of such supply whether wholly or partly, along with the tax payable thereon, within the time limit specified in the second proviso to sub-section(2) of section 16 , shall pay or reverse an amount equal to the input tax credit availed in respect of such supply, proportionate to the amount not paid to the supplier, along with interest payable thereon under section 50 , while furnishing the return in **FORM GSTR-3B** for the tax period immediately following the period of one hundred and eighty days from the date of the issue of the invoice:

Provided that the value of supplies made without consideration as specified in Schedule I of the said Act shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of section 16:

Provided further that the value of supplies on account of any amount added in accordance with the provisions of clause (b) of sub-section (2) of section 15 shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of section 16.

(2) Where the said registered person subsequently makes the payment of the amount towards the value of such supply along with tax payable thereon to the supplier thereof, he shall be entitled to re-avail the input tax credit referred to in sub-rule (1).]

(4) The time limit specified in sub-section (4) of section 16 shall not apply to a claim for re-availing of any credit, in accordance with the provisions of the Act or the provisions of this Chapter, that had been reversed earlier.

Rule 37A. Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof. -

Where input tax credit has been availed by a registered person in the return in **FORM GSTR-3B** for a tax period in respect of such invoice or debit note, the details of which have been furnished by the supplier in the statement of outward supplies in **FORM GSTR-1** or using the invoice furnishing facility, but the return in **FORM GSTR-3B** for the tax period corresponding to the said statement of outward supplies has not been furnished by such supplier till the 30th day of September following the end of financial year in which the input tax credit in respect of such invoice or debit note has been availed, the said amount of input tax credit shall be reversed by the said registered person, while furnishing a return in **FORM GSTR-3B** on or before the 30th day of November following the end of such financial year:

Provided that where the said amount of input tax credit is not reversed by the registered person in a return in **FORM GSTR-3B** on or before the 30th day of November following the end of such financial year during

which such input tax credit has been availed, such amount shall be payable by the said person along with interest thereon under section 50.

Provided further that where the said supplier subsequently furnishes the return in **FORM GSTR-3B** for the said tax period, the said registered person may re-avail the amount of such credit in the return in **FORM GSTR-3B** for a tax period thereafter.]

Rule 39. Procedure for distribution of input tax credit by Input Service Distributor. -

(1) An Input Service Distributor shall distribute input tax credit in the manner and subject to the following conditions, namely, -

(a) the input tax credit available for distribution in a month shall be distributed in the same month and the details thereof shall be furnished in **FORM GSTR-6** in accordance with the provisions of Chapter VIII of these rules;

(b) the Input Service Distributor shall, in accordance with the provisions of clause (d), separately distribute the amount of ineligible input tax credit (ineligible under the provisions of sub-section (5) of section 17 or otherwise) and the amount of eligible input tax credit;

(c) the input tax credit on account of central tax, State tax, Union territory tax and integrated tax shall be distributed separately in accordance with the provisions of clause (d);

(d) the input tax credit on account of integrated tax shall be distributed as input tax credit of integrated tax to every recipient;

(e) the input tax credit on account of central tax and State tax or Union territory tax shall-

(i) in respect of a recipient located in the same State or Union territory in which the Input Service Distributor is located, be distributed as input tax credit of central tax and State tax or Union territory tax respectively;

(ii) in respect of a recipient located in a State or Union territory other than that of the Input Service Distributor, be distributed as integrated tax and the amount to be so distributed shall be equal to the aggregate of the amount of input tax credit of central tax and State tax or Union territory tax that qualifies for distribution to such recipient in accordance with clause (d);

(g) the Input Service Distributor shall issue an Input Service Distributor invoice, as prescribed in sub-rule (1) of rule 54, clearly indicating in such invoice that it is issued only for distribution of input tax credit;

(h) the Input Service Distributor shall issue an Input Service Distributor credit note, as prescribed in sub-rule (1) of rule 54, for reduction of credit in case the input tax credit already distributed gets reduced for any reason;

(i) any additional amount of input tax credit on account of issuance of a debit note to an Input Service Distributor by the supplier shall be distributed in the manner and subject to the conditions specified in clauses (a) to (f) and the amount attributable to any recipient shall be calculated in the manner provided in clause (d) and such credit shall be distributed in the month in which the debit note is included in the return in **FORM GSTR- 6**;

(j) any input tax credit required to be reduced on account of issuance of a credit note to the Input Service Distributor by the supplier shall be apportioned to each recipient in the same ratio in which the input tax credit contained in the original invoice was distributed in terms of clause (d), and the amount so apportioned shall be-

(i) reduced from the amount to be distributed in the month in which the credit note is included in the return in **FORM GSTR-6** ; or

(ii) added to the output tax liability of the recipient where the amount so apportioned is in the negative by virtue of the amount of credit under distribution being less than the amount to be adjusted.

- (2) If the amount of input tax credit distributed by an Input Service Distributor is reduced later on for any other reason for any of the recipients, including that it was distributed to a wrong recipient by the Input Service Distributor, the process specified in clause (j) of sub-rule (1) shall apply, *mutatis mutandis*, for reduction of credit.
- (3) Subject to sub-rule (2), the Input Service Distributor shall, on the basis of the Input Service Distributor credit note specified in clause (h) of sub-rule (1), issue an Input Service Distributor invoice to the recipient entitled to such credit and include the Input Service Distributor credit note and the Input Service Distributor invoice in the return in **FORM GSTR-6** for the month in which such credit note and invoice was issued.

Rule 40. Manner of claiming credit in special circumstances. -

- (1) The input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions, namely, -
 - (a) the input tax credit on capital goods, in terms of clauses (c) and (d) of sub-section (1) of section 18, shall be claimed after reducing the tax paid on such capital goods by five percentage points per quarter of a year or part thereof from the date of the invoice or such other documents on which the capital goods were received by the taxable person.
 - (b) the registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in **FORM GST ITC-**

01 to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]

(c) the declaration under clause (b) shall clearly specify the details relating to the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or as the case may be, capital goods-

(i) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of the Act, in the case of a claim under clause (a) of sub-section (1) of section 18 ;

(ii) on the day immediately preceding the date of the grant of registration, in the case of a claim under clause (b) of subsection (1) of section 18;

(iii) on the day immediately preceding the date from which he becomes liable to pay tax under section 9 , in the case of a claim under clause (c) of subsection (1) of section 18 ;

(iv) on the day immediately preceding the date from which the supplies made by the registered person becomes taxable, in the case of a claim under clause (d) of sub-section (1) of section 18;

(d) the details furnished in the declaration under clause (b) shall be duly certified by a practicing-chartered accountant or a cost accountant if the aggregate value of the claim on account of central tax, State tax, Union territory tax and integrated tax exceeds two lakh rupees;

(e) the input tax credit claimed in accordance with the provisions of clauses (c) and (d) of sub-section (1) of section 18 shall be verified with the corresponding details furnished by the corresponding supplier in

FORM GSTR-1 or as the case may be, in **FORM GSTR- 4**, on the common portal.

(2) The amount of credit in the case of supply of capital goods or plant and machinery, for the purposes of sub-section (6) of section 18, shall be calculated by reducing the input tax on the said goods at the rate of five percentage points for every quarter or part thereof from the date of the issue of the invoice for such goods.

(1) A registered person shall, in the event of sale, merger, de-merger, amalgamation, lease or transfer or change in the ownership of business for any reason, furnish the details of sale, merger, de-merger, amalgamation, lease or transfer of business, in **FORM GST ITC-02**, electronically on the common portal along with a request for transfer of unutilized input tax credit lying in his electronic credit ledger to the transferee:

Provided that in the case of demerger, the input tax credit shall be apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme.

Explanation : - For the purpose of this sub-rule, it is hereby clarified that the "value of assets" means the value of the entire assets of the business, whether or not input tax credit has been availed thereon.

(2)The transfer or shall also submit a copy of a certificate issued by a practicing-chartered accountant or cost accountant certifying that the sale, merger, de-merger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities.

(3)The transferee shall, on the common portal, accept the details so furnished by the transfer or and, upon such acceptance, the un-utilized credit specified in **FORM GST ITC-02** shall be credited to his electronic credit ledger.

Rule 46. Tax invoice.-

Subject to rule 54, a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars, namely,-

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolised as "-" and "/" respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is fifty thousand rupees or more;
- (f) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than fifty thousand rupees and the recipient requests that such details be recorded in the tax invoice

Provided that where any taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name and address of the recipient along with its PIN code and the name of the State and the said address shall be deemed to be the address on record of the recipient]; (g) Harmonised System of Nomenclature code for goods or services;

- (h) description of goods or services;
- (i) quantity in case of goods and unit or Unique Quantity Code thereof;
- (j) total value of supply of goods or services or both;
- (k) taxable value of the supply of goods or services or both taking into account discount or abatement, if any;
- (l) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (m) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (n) place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;
- (o) address of delivery where the same is different from the place of supply;
- (p) whether the tax is payable on reverse charge basis; and
- (q) signature or digital signature of the supplier or his authorised representative; and
- (r) Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48].
- (s) a declaration as below, that invoice is not required to be issued in the manner specified under sub-rule (4) of rule 48, in all cases where an invoice is issued, other than in the manner so specified under the said sub-rule (4) of rule 48 , by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under the said sub-rule (4) of rule 48 -

"I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of rule 48, we are not

required to prepare an invoice in terms of the provisions of the said sub-rule."]

Provided that the Board may, on the recommendations of the Council, by notification, specify-

- (i) the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or
- (ii) a class of supply of goods or services for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers; and
- (iii) the class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services:]

Provided further that where an invoice is required to be issued under clause (f) of sub-section (3) of section 31, a registered person may issue a consolidated invoice at the end of a month for supplies covered under sub-section (4) of section 9, the aggregate value of such supplies exceeds rupees five thousand in a day from any or all the suppliers:

Provided also that in the case of the export of goods or services, the invoice shall carry an endorsement "SUPPLY MEANT

FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX" or "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF INTEGRATED TAX", as the case

maybe, and shall, in lieu of the details specified in clause (e), contain the following details, namely, (i) name and address of the recipient;

(ii) address of delivery; and

(iii) name of the country of destination:]

Provided also that a registered person ⁵ [other than the supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens,] may not issue a tax invoice in accordance with the provisions of clause (b) of sub-section (3) of section 31 subject to the following conditions, namely, -

(a) the recipient is not a registered person; and (b) the recipient does not require such invoice, and shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.

Rule 47. Time limit for issuing tax invoice. -

The invoice referred to in rule 46, in the case of the taxable supply of services, shall be issued within a period of thirty days from the date of the supply of service:

Provided that where the supplier of services is an insurer or a banking company or a financial institution, including a nonbanking financial company, the period within which the invoice or any document in lieu thereof is to be issued shall be forty-five days from the date of the supply of service:

Provided further that an insurer or a banking company or a financial institution, including a non-banking financial company, or a telecom operator, or any other class of supplier of services as may be notified by the Government on the recommendations of the Council, making taxable supplies of services between distinct persons as specified in section 25, may issue the invoice before or at the time such supplier records the same in his books of account or before the expiry of the quarter during which the supply was made.

Rule 48. Manner of issuing invoice. -

(1) The invoice shall be prepared in triplicate, in the case of supply of goods, in the following manner, namely, -

- (a) the original copy being marked as ORIGINAL FOR RECIPIENT;
 - (b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
 - (c) the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
- (2) The invoice shall be prepared in duplicate, in the case of the supply of services, in the following manner, namely, (a) the original copy being marked as ORIGINAL FOR RECIPIENT; and
- (b) the duplicate copy being marked as DUPLICATE FOR SUPPLIER.
- (3) The serial number of invoices issued during a tax period shall be furnished electronically through the common portal in **FORM GSTR-1**.
- (4) The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in **FORM GST INV-01** after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.

- (5) Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said subrule shall not be treated as an invoice.
- (6) The provisions of sub-rules (1) and (2) shall not apply to an invoice prepared in the manner specified in sub-rule (4).]

A bill of supply referred to in clause(c) of sub-section (3) of section 31 shall be issued by the supplier containing the following details, namely,

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters - hyphen or dash and slash symbolised as "-" and "/" respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) Harmonised System of Nomenclature Code for goods or services;
- (f) description of goods or services or both;
- (g) value of supply of goods or services or both taking into account discount or abatement, if any; and
- (h) signature or digital signature of the supplier or his authorised representative:

Provided that the provisos to rule 46 shall, *mutatis mutandis*, apply to the bill of supply issued under this rule:

Provided further that any tax invoice or any other similar document issued under any other Act for the time being in force in respect of any non-taxable supply shall be treated as a bill of supply for the purposes of the Act.

Provided also that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an electronic bill of supply in accordance with the provisions of the Information Technology Act, 2000 (21 of 2000).]

Provided also that the Government may, by notification, on the recommendations of the Council, and subject to such conditions and restrictions as mentioned therein, specify that the bill of supply shall have Quick Response (QR) code.]

Rule 55A. Tax Invoice or bill of supply to accompany transport of goods. -

The person-in-charge of the conveyance shall carry a copy of the tax invoice or the bill of supply issued in accordance with the provisions of rules 46, 46A or 49 in a case where such person is not required to carry an e-way bill under these rules.]

Rule 80. Annual return. -

(1) Every registered person, other than those referred to in the second proviso to section 44 , 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 as specified under section 44 electronically in **FORM GSTR-9** on or before the thirty-first day of December following the end of such financial year through the common portal either directly or through a Facilitation Centre notified by the Commissioner:

Provided that a person paying tax under section 10 shall furnish the annual return in **FORM GSTR-9A**.

(1A) Notwithstanding anything contained in sub-rule (1), for the financial year 2020-2021 the said annual return shall be furnished on or before the twenty-eighth day of February, 2022.]

(2) Every electronic commerce operator required to collect tax at source under section 52 shall furnish annual statement referred to in sub-section (5) of the said section in **FORM GSTR -9B**.

(3) Every registered person, other than those referred to in the second proviso to section 44 , an Input Service Distributor, a person paying tax

under section 51 or section 52 , a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a self-certified reconciliation statement as specified under section 44 in **FORM GSTR-9C** along with the annual return referred to in sub-rule (1), on or before the thirty-first day of December following the end of such financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.]

(3A) Notwithstanding anything contained in sub-rule (3), for the financial year 2020-2021 the said self-certified reconciliation statement shall be furnished along with the said annual return on or before the twenty-eighth day of February, 2022.

Rule 98. Provisional Assessment. -

(1) Every registered person requesting for payment of tax on a provisional basis in accordance with the provisions of subsection (1) of section 60 shall furnish an application along with the documents in support of his request, electronically in **FORM GST ASMT-01** on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) The proper officer may, on receipt of the application under sub-rule (1), issue a notice in **FORM GST ASMT-02** requiring the registered person to furnish additional information or documents in support of his request and the applicant shall file a reply to the notice in **FORM GST ASMT - 03** , and may appear in person before the said officer if he so desires.

(3) The proper officer shall issue an order in **FORM GST ASMT-04** allowing the payment of tax on a provisional basis indicating the value or the rate or both on the basis of which the assessment is to be allowed on a provisional basis and the amount for which the bond is to be executed

and security to be furnished not exceeding twenty-five per cent. of the amount covered under the bond.

(4) The registered person shall execute a bond in accordance with the provisions of subsection (2) of section 60 in **FORM GST ASMT-05** along with a security in the form of a bank guarantee for an amount as determined under sub-rule (3):

Provided that a bond furnished to the proper officer under the State Goods and Services Tax Act or Integrated Goods and Services Tax Act shall be deemed to be a bond furnished under the provisions of the Act and the rules made thereunder.

Explanation. -For the purposes of this rule, the expression "amount" shall include the amount of integrated tax, central tax, State tax or Union territory tax and cess payable in respect of the transaction.

(5) The proper officer shall issue a notice in **FORM GST ASMT-06**, calling for information and records required for finalization of assessment under sub-section (3) of section 60 and shall issue a final assessment order, specifying the amount payable by the registered person or the amount refundable, if any, in **FORM GST ASMT-07**.

(6) The applicant may file an application in **FORM GST ASMT-08** for the release of the security furnished under sub-rule (4) after issue of the order under sub-rule (5).

(7) The proper officer shall release the security furnished under sub-rule (4), after ensuring that the applicant has paid the amount specified in sub-rule (5) and issue an order in **FORM GST ASMT-09** within a period of seven working days from the date of the receipt of the application under sub-rule (6).

Rule 99. Scrutiny of returns. -

(1) Where any return furnished by a registered person is selected for scrutiny, the proper officer shall scrutinize the same in accordance with

the provisions of section 61 with reference to the information available with him, and in case of any discrepancy, he shall issue a notice to the said person in **FORM GST ASMT-10** , informing him of such discrepancy and seeking his explanation thereto within such time, not exceeding thirty days from the date of service of the notice or such further period as may be permitted by him and also, where possible, quantifying the amount of tax, interest and any other amount payable in relation to such discrepancy.

(2) The registered person may accept the discrepancy mentioned in the notice issued under sub-rule (1), and pay the tax, interest and any other amount arising from such discrepancy and inform the same or furnish an explanation for the discrepancy in **FORM GST ASMT-11** to the proper officer.

(3) Where the explanation furnished by the registered person or the information submitted under sub-rule (2) is found to be acceptable, the proper officer shall inform him accordingly in **FORM GST ASMT-12**.

Rule 100. Assessment in certain cases. -

(1) The order of assessment made under sub-section (1) of section 62 shall be issued in **FORM GST ASMT-13** and a summary thereof shall be uploaded electronically in **FORM GST DRC-07**.

(2) The proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in **FORM GST ASMT-14** containing the grounds on which the assessment is proposed to be made on best judgment basis and shall also serve a summary thereof electronically in **FORM GST DRC-01**, and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in **FORM GST ASMT-15** and summary thereof shall be uploaded electronically in **FORM GST DRC07**.

(3)The order of assessment under sub-section (1) of section 64 shall be issued in **FORM GST ASMT-16** and a summary of the order shall be uploaded electronically in **FORM GST DRC-07**

(4) The person referred to in sub-section (2) of section 64 may file an application for withdrawal of the assessment order in **FORM GST ASMT-17**.

(5)The order of withdrawal or, as the case may be, rejection of the application under subsection (2) of section 64 shall be issued in **FORM GST ASMT-18**]

Rule 132. Power to summon persons to give evidence and produce documents-

(1) The ¹ [Authority,] ² [Director General of Anti-profiteering], or an officer authorised by him in this behalf, shall be deemed to be the proper officer to exercise the power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing under section 70 and shall have power 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 (5 of 1908).

Rule 139. Inspection, search and seizure. -

(1) Where the proper officer Not below the rank of a Joint Commissioner has reasons to believe that a place of business or any other place is to be visited for the purposes of inspection or search or, as the case may be, seizure in accordance with the provisions of section 67 , he shall issue an authorisation in **FORM GST INS-01** authorising any other officer subordinate to him to conduct the inspection or search or, as the case may be, seizure of goods, documents, books or things liable to confiscation.

- (2) Where any goods, documents, books or things are liable for seizure under sub-section (2) of section 67, the proper officer or an authorised officer shall make an order of seizure in **FORM GST INS-02**.
- (3) The proper officer or an authorised officer may entrust upon the the owner or the custodian of goods, from whose custody such goods or things are seized, the custody of such goods or things for safe upkeep and the said person shall Not remove, part with, or otherwise deal with the goods or things except with the previous permission of such officer.
- (4) Where it is not practicable to seize any such goods, the proper officer or the authorised officer may serve on the owner or the custodian of the goods, an order of prohibition in **FORM GST INS-03** that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.
- (5) The officer seizing the goods, documents, books or things shall prepare an inventory of such goods or documents or books or things containing, *inter alia*, description, quantity or unit, make, mark or model, where applicable, and get it signed by the person from whom such goods or documents or books or things are seized.

Rule 142. Notice and order for demand of amounts payable under the Act. -

- (1) The proper officer shall serve, along with the
 - (a) Notice issued under section 52 or section 73 or section 74 or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, a summary thereof electronically in **FORM GST DRC-01**,
 - (b) statement under sub-section (3) of section 73 or sub-section (3) of section 74, a summary thereof electronically in **FORM GST DRC-02**, specifying therein the details of the amount payable.

(1A) The proper officer may, before service of Notice to the person chargeable with tax, interest and penalty, under subsection (1) of Section 73 or sub-section (1) of Section 74, as the case may be, communicate the details of any tax, interest and penalty as ascertained by the said officer, in **Part A of FORM GST DRC-01A**

(2) Where, before the service of Notice or statement, the person chargeable with tax makes payment of the tax and interest in accordance with the provisions of sub-section (5) of section 73 or, as the case may be, tax, interest and penalty in accordance with the provisions of subsection (5) of section 74 , or where any person makes payment of tax, interest, penalty or any other amount due in accordance with the provisions of the Act whether on his own ascertainment or, as communicated by the proper officer under sub-rule (1A),] he shall inform the proper officer of such payment in **FORM GST DRC-03** and the proper officer shall issue an acknowledgement, accepting the payment made by the said person in **FORM GST DRC-04** .

(2A) Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in **Part B of FORM GST DRC-01A**

(3) Where the person chargeable with tax makes payment of tax and interest under sub-section (8) of section 73 or, as the case may be, tax, interest and penalty under sub-section (8) of section 74 within thirty days of the service of a Notice under sub-rule (1), or where the person concerned makes payment of the amount referred to in sub-section (1) of section 129 within seven days of the notice issued under sub-section (3) of Section 129 but before the issuance of order under the said sub-section (3), he shall intimate the proper officer of such payment in **FORM GST DRC-03** and the proper officer shall issue an order in

FORM GST DRC-05 concluding the proceedings in respect of the said Notice.

(4)The representation referred to in sub-section (9) of section 73 or sub-section (9) of section 74 or sub-section (3) of section 76 or the reply to any Notice issued under any section whose summary has been uploaded electronically in **FORM GST DRC-01** under sub-rule (1) shall be furnished in **FORM GST DRC-06**.

(5)A summary of the order issued under section 52 or section 62 or section 63 or section 64 or section 73 or section 74 or section 75 or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130 shall be uploaded electronically in **FORM GST DRC-07**, specifying therein the amount of ⁶[tax, interest and penalty, as the case may be, payable by the person concerned].

(6)The order referred to in sub-rule (5) shall be treated as the Notice for recovery.

Where a rectification of the order has been passed in accordance with the provisions of section 161 or where an order uploaded on the system has been withdrawn, a summary of the rectification order or of the withdrawal order shall be uploaded electronically by the proper officer in **FORM GST DRC-08**

Rule 142A. Procedure for recovery of dues under existing laws. -

(1) A summary of order issued under any of the existing laws creating demand of tax, interest, penalty, fee or any other dues which becomes recoverable consequent to proceedings launched under the existing law before, on or after the appointed day shall, unless recovered under that law, be recovered under the Act and may be uploaded in **FORM GST DRC-07A** electronically on the common portal for recovery under the Act and the demand of the order shall be posted in Part II of Electronic Liability Register in **FORM GST PMT-01** .

(2) Where the demand of an order uploaded under sub-rule (1) is rectified or modified or quashed in any proceedings, including in appeal, review or revision, or the recovery is made under the existing laws, a summary thereof shall be uploaded on the common portal in **FORM DRC-08A** and Part II of Electronic Liability Register in **FORM GST PMT-01** shall be updated accordingly.]

Rule 144. Recovery by sale of goods under the control of proper officer. -

(1) Where any amount due from a defaulter is to be recovered by selling goods belonging to such person in accordance with the provisions of clause (b) of sub-section (1) of section 79, the proper officer shall prepare an inventory and estimate the market value of such goods and proceed to sell only so much of the goods as may be required for recovering the amount payable along with the administrative expenditure incurred on the recovery process.

(2) The said goods shall be sold through a process of auction, including e-auction, for which a Notice shall be issued in **FORM GST DRC-10** clearly indicating the goods to be sold and the purpose of sale.

(3) The last day for submission of bid or the date of auction shall not be earlier than fifteen days from the date of issue of the Notice referred to in sub-rule (2):

Provided that where the goods are of perishable or hazardous nature or where the expenses of keeping them in custody are likely to exceed their value, the proper officer may sell them forthwith.

(4) The proper officer may specify the amount of pre-bid deposit to be furnished in the manner specified by such officer, to make the bidders eligible to participate in the auction, which may be returned to the unsuccessful bidders, forfeited in case the successful bidder fails to make the payment of the full amount, as the case may be.

(5) The proper officer shall issue a Notice to the successful bidder in **FORM GST DRC-11** requiring him to make the payment within a period of fifteen days from the date of auction. On payment of the full bid amount, the proper officer shall transfer the possession of the said goods to the successful bidder and issue a certificate in **FORM GST DRC-12**.








(6) Where the defaulter pays the amount under recovery, including any expenses incurred on the process of recovery, before the issue of the Notice under sub-rule (2), the proper officer shall cancel the process of auction and release the goods.

The proper officer shall cancel the process and proceed for re-auction where no bid is received or the auction is considered to be non-competitive due to lack of adequate participation or due to low bids.

Rule 150. Assistance by police. -

The proper officer may seek such assistance from the officer- in charge of the jurisdictional police station as may be necessary in the discharge of his duties and the said officer-in-charge shall depute sufficient number of police officers for providing such assistance.

Important Circulars/Instructions/FORMs in GST

Sl.No	Description	Page No./QR Code
1	Standard Operating Procedure for Scrutiny of Returns for FY 2019-20 onwards	<i>Inserted in the Handbook</i>
2	Master Circular on Refund of GST	
3	Guidelines on issuance of Summons under Section 70 of CGST Act, 2017	
4	Instructions/Guidelines regarding procedures to be followed during Search Operation	
5	Guidelines for provisional attachment of property under section 83 of the CGST Act, 2017	
6	Guidelines for arrest and bail in relation to offences punishable under the CGST Act, 2017	
7	Guidelines for launching of prosecution under the Central Goods & Services Tax Act, 2017	
8	Master Circular on Recovery and Write-Off of Arrears of Revenue	
9	FORMS	<i>Inserted in the Handbook</i>

Instruction No. 02/2023-GST

F. No. CBIC- 20006/04/2022-GST

**Government of India Ministry of Finance Department of
Revenue**

Central Board Indirect Taxes & Customs GST Policy Wing

New Delhi, dated 26th May, 2023

To,

All the Principal Chief Commissioners/ Chief Commissioners/
Principal Commissioners
/Commissioners of Central Tax
All the Principal Directors General/ Directors General
of Central Tax Madam/Sir,

**Subject: Standard Operating Procedure for Scrutiny of
Returns for FY 2019-20 onwards– reg.**

Attention is invited to the Instruction No. 02/2022-GST dated 22nd March, 2022, wherein a Standard Operating Procedure (SOP) was provided for scrutiny of returns under section 61 of Central Goods and Services Tax Act, 2017 (hereinafter referred to as “the CGST Act) read with rule 99 of Central Goods and Service Tax Rules, 2017 (hereinafter referred to as “the CGST Rules”) for FY 2017-18 and 2018-19. It was mentioned in the said instruction that the said SOP was issued as an interim measure till the time a Scrutiny Module for online scrutiny of returns is made available on the ACES-GST application.

1.2 In this regard, it is to inform that DG Systems has developed functionality “Scrutiny of Returns”, containing the online workflow for scrutiny of returns in the CBIC ACES-GST application. Advisory No. 22/2023- Returns dated 16.05.2023 has also been issued by DG Systems in this regard, along with a User Manual providing for the detailed workflow of the said functionality. The GSTINs selected for scrutiny for

the Financial Year 2019-20 have also been made available on the scrutiny dashboard of the proper officers on ACES-GST application.

1.3 The functionality provides for the detailed workflow for communication of discrepancies noticed, in relation to the details furnished in the returns, by the proper officer in **FORM GST ASMT-10** to the registered person, receipt of reply from the registered person in **FORM GST ASMT-11**, issuance of order in **FORM GST ASMT-12** or taking further action for issuance of show cause notice under Section 73 or 74 of CGST Act, 2017 or for referring the matter for Audit or investigation, as the case may be.

2. In view of this, the SOP for scrutiny of returns provided in the Instruction No. 02/2022- GST dated 22nd March 2022 stands modified to the following extent in respect of scrutiny of returns for financial years 2019-20 onwards:

3. Selection of returns for scrutiny and communication of the same to the field formations:

3.1 Selection of returns for scrutiny will be done by the Directorate General of Analytics and Risk Management (DGARM) based on various risk parameters identified by them. DGARM will select the GSTINs registered with the Central Tax authorities, whose returns are to be scrutinized for a financial year, based on identified risk parameters. The details of GSTINs selected for scrutiny for a financial year will be made available by DGARM through DG Systems on the scrutiny dashboard of the concerned proper officer of Central Tax on ACES-GST application.

3.2 The details of the risk parameters, in respect of which risk has been identified for a particular GSTIN, and the amount of tax/ discrepancy involved in respect of the concerned risk parameters (i.e. likely revenue implication), will also be shown on the scrutiny dashboard of the proper officer for their convenience. It is re-emphasized that as the data made available on the dashboard has been generated at a particular point of

time for calculation of risk parameters, this data may undergo change at the time of scrutiny of returns, due to subsequent compliances carried out by the taxpayer or by the suppliers of the taxpayer. The proper officer shall, therefore, rely upon the latest available data.

4. Scrutiny Schedule:

4.1 Once the details of GSTINs selected for scrutiny for a financial year are made available on the scrutiny dashboard of the concerned proper officer of Central Tax on ACES-GST application, the proper officer, with the approval of the divisional Assistant/ Deputy Commissioner, shall finalize a scrutiny schedule in the format specified in **Annexure A of Instruction 02/2022- GST dated 22nd March 2022**. Such scrutiny schedule will specify month- wise schedule for scrutiny in respect of all the GSTINs selected for scrutiny. While preparing the scrutiny schedule, the scrutiny of the GSTINs, which appear to be riskier based on the likely higher revenue implication indicated on the dashboard, may be prioritized. The Principal Commissioner/ Commissioner of the concerned Commissionerate will monitor and ensure that the schedule identified in Scrutiny Schedule is adhered to by the officers under his jurisdiction.

4.2 The proper officer shall conduct scrutiny of returns pertaining to minimum of **4 GSTINs** per month. Scrutiny of returns of one GSTIN shall mean scrutiny of all returns pertaining to a financial year for which the said GSTIN has been selected for scrutiny.

5. Process of scrutiny by the Proper Officer:

5.1 The Proper Officer shall scrutinize the returns and related particulars furnished by the registered persons to verify the correctness of the returns. Information available with the proper officer on the system in the form of various returns and statements furnished by the registered person and the data/ details made available through various sources like DGARM, ADVAIT, GSTN, E-Way Bill Portal etc. may be relied upon for this purpose.

5.2 As mentioned in Para 3.2 above, for the convenience of proper officers, details of the risk parameters involving risk/ discrepancies in respect of the GSTIN, along with the amount of tax/ discrepancy involved in respect of the concerned risk parameters (i.e. likely revenue implication), will be made available in the scrutiny dashboard of the proper officer. Besides, DGARM will also make available to the field formations the details of all the risk parameters taken into consideration by them for the selection of GSTINs for scrutiny of returns for the particular financial year. In addition to these parameters, proper officer may also consider any other relevant parameter, as he may deem fit, for the purpose of scrutiny.

5.3 It may be noted that at this stage, the proper officer is expected to rely upon the information available with him on records. As far as possible, scrutiny of return should have minimal interface between the proper officer and the registered person and, there should normally not be any need for seeking documents/ records from the registered persons before issuance of **FORM GST ASMT-10**.

5.4 The proper officer shall issue a notice to the registered person in **FORM GST ASMT-10** through the scrutiny functionality on ACES-GST application, informing him of the discrepancies noticed and seeking his explanation thereto. There may be cases where the registered person may already have made additional payment of tax, cess, interest, etc. after filing of the returns for the relevant tax period, through **FORM DRC-03**. The payments thus made through **FORM DRC-03** may also be taken into consideration while communicating discrepancies to the taxpayer in **FORM GST ASMT-10**. The notice in **FORM GST ASMT-10**, issued by the proper officer through scrutiny functionality on ACES-GST application, shall be communicated by the system to the concerned registered person on the common portal and therefore, there will be no need for sending any manual communication of notice in **FORM GST ASMT-10** by the proper officer to the registered person separately. While

issuing such notice, the proper officer may, as far as possible, quantify the amount of tax, interest and any other amount payable in relation to such discrepancies. It may also be ensured that the discrepancies so communicated should, as far as possible, be specific in nature and not vague or general. In this regard, the user manual issued by DG Systems may be referred to regarding the detailed procedure for issuance of **FORM GST ASMT-10** on scrutiny functionality on ACES-GST application. The proper officer shall mention the parameter-wise details of the discrepancies noticed by him in **FORM GST ASMT-10** and shall also upload the worksheets and supporting document(s)/ annexures, if any.

5.5 For each GSTIN identified for scrutiny, the proper officer is required to scrutinize all the returns pertaining to the corresponding Financial Year under consideration and a single compiled notice in **FORM GST ASMT-10** may be issued to the registered person for that financial year.

5.6 On receipt of such notice in **FORM GST ASMT-10** on common portal, the registered person may accept the discrepancy mentioned in the said notice, and pay the tax, interest and any other amount arising from such discrepancy and inform the same or may furnish an explanation for the discrepancy in **FORM GST ASMT-11**, through the common portal, to the proper officer within the time period prescribed under rule 99 of CGST Rules.

5.7 The reply furnished by the registered person in **FORM GST ASMT-11** on the common portal shall be made available to the concerned proper officer in the scrutiny dashboard on ACES-GST application. Where the explanation furnished by the registered person or the information submitted in respect of acceptance of discrepancy and payment of dues is found to be acceptable by the proper officer, he shall conclude the proceedings by informing the registered person in **FORM GST ASMT-12** through the scrutiny functionality on ACES-GST application.

5.8 In case no satisfactory explanation is furnished by the registered person in **FORM GST ASMT-11** 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 pay the tax, interest and any other amount arising from such discrepancies, the proper officer, may proceed to determine the tax and other dues under section 73 or section 74 of CGST Act. Needless to mention, for proceedings under section 73 or section 74 of CGST Act, monetary limits as specified in **Circular No. 31/05/2018-GST dated 9th February 2018** shall be adhered to. The user manual issued by DG Systems may be referred to for the procedure for initiating proceedings under section 73 or 74 of the CGST Act on the scrutiny functionality on ACES-GST application.

5.9 However, if the proper officer is of the opinion that the matter needs to be pursued further through audit or investigation to determine the correct liability of the said registered person, then he may take the approval of the jurisdictional Principal Commissioner / Commissioner through the divisional Assistant/ Deputy Commissioner, through e-file or other suitable mode, for referring the matter to the Audit Commissionerate or anti-evasion wing of the Commissionerate, as the case may be. The copy of the said approval needs to be uploaded while referring the matter to the concerned formation through the scrutiny functionality, as per the procedure detailed in the user manual issued by DG Systems.

6. Timelines for scrutiny of returns:

6.1 Scrutiny of returns is to be conducted in a time bound manner, so that the cases may be taken to their logical conclusion and that too expeditiously. In this regard, the following timelines may be observed by all concerned:

S. no.	Process/Event	Timeline/ Frequency
(i)	Communication of GSTINs selected for scrutiny by DGARM on ACES GST Application for a financial year	From time to time.
(ii)	Finalization of scrutiny schedule with the approval of the concerned Assistant/ Deputy Commissioner	Within seven working days of receipt of the details of the concerned GSTINs on ACES-GST application
(iii)	Issuance of notice by the proper officer for intimating discrepancies in FORM GST ASMT-10 , where required	Within the month, as mentioned in scrutiny schedule for scrutiny for the said GSTIN.
(iv)	Reply by the registered person in FORM GST ASMT-11	Within a period of thirty days of being informed by the proper officer in FORM GST ASMT-10 or such further period as may be permitted by the proper officer
(v)	Issuance of order in FORM GST ASMT- 12 for acceptance of reply furnished by the registered person, where applicable	Within thirty days from receipt of reply from the registered person in FORM GST ASMT- 11
(vi)	Initiation of appropriate action for determination of the tax and other dues under section 73 or section 74, in cases where no reply is furnished by the registered person	Within a period of fifteen days after completion of the period of thirty days of issuance of notice in FORM GST ASMT-10 or such further period as permitted by the proper officer

(vii)	Initiation of appropriate action for determination of the tax and other dues under section 73 or section 74, in cases where reply is furnished by the registered person, but the same is not found acceptable by the proper officer	Within thirty days from receipt of reply from the registered person in FORM GST ASMT- 11
(viii)	Reference, if any, to the Audit Commissionerate or the anti-evasion wing of the Commissionerate for action, under section 65 or section 66 or section 67, as the case may be.	Within thirty days from receipt of reply from the registered person in FORM GST ASMT- 11 or within a period of forty-five days of issuance of FORM GST ASMT-10 , in case no explanation is furnished by the registered person.

6.2 It may also be ensured that the requisite actions must be initiated well ahead of the time limits as specified in section 73 or section 74 of the CGST Act, as the case may be, in respect of a return identified for scrutiny for a financial year.

7. **Reporting and Monitoring:**

7.1 The details of action taken by the proper officer in respect of GSTINs allocated to him for scrutiny will be available in the form of two MIS reports in the scrutiny dashboard on the ACES- GST application. MIS report '**Monthly Scrutiny Progress Report**' (in the format specified in **Annexure-D of Instruction No.02/2022 dated 22.03.2022**) displays summary information of the status of scrutiny of returns for the selected month of a financial year for the selected formation. Besides, the GSTIN-wise details of action taken in respect of scrutiny of returns in respect of allotted GSTINs is made available in the MIS report '**Scrutiny Register**' (in the format specified in

Annexure-C of Instruction No.02/2022 dated 22.03.2022) on the scrutiny dashboard.

- 7.2 In view of this, the requirement of compiling and sending the Monthly Scrutiny Progress Report by the CGST zones to DGGST is hereby dispensed with for the Financial Year 2019-20 onwards. However, the CGST zones will continue to send Monthly Scrutiny Progress Reports to DGGST in respect of the Financial Years 2017-18 and FY 2018-19 till the completion of scrutiny of returns for these financial years, as per the timelines mentioned in Instruction No. 02/2022- GST dated 22nd March, 2022.
- 7.3 It is also added that the progress of the scrutiny exercise as per the scrutiny schedule shall be monitored by the jurisdictional Principal Commissioner/ Commissioner on regular basis.
8. It is clarified that since the scrutiny functionality has been provided on ACES-GST application only for the Financial Year 2019-20 onwards, the procedure specified in **Instruction No. 02/2022 dated 22.03.2022** shall continue to be followed for the scrutiny of returns for the financial years 2017-18 and 2018-19.
9. The online scrutiny functionality on ACES-GST application will further boost the efforts of the department to leverage technology and risk-based tools to encourage self-compliance and to conduct scrutiny of returns with minimal interaction with the registered person. All Principal Chief Commissioners (PCCs)/ Chief Commissioners (CCs) of CGST Zones are requested to closely monitor timely scrutiny of returns of the selected GSTINs within their jurisdictions.
10. Difficulties, if any, in implementation of these instructions may be informed to the Board (gst-cbec@gov.in).

Sanjay Mangal
Principal Commissioner (GST)

Form GSTR-1

[See rule (59(1))]

Details of outward supplies of goods or services

Financial Year				
Tax period				

1.		GSTIN	
2.	(a)	Legal name of the registered person	
	(b)	Trade name, if any	
3.	(a)	ARN	
	(b)	Date of ARN	

4. Taxable outward supplies made to registered persons (including UIN - holders) other than supplies covered by Table 6

(Amount in Rs. for all Tables)

GSTIN/ UIN	Invoice details			Rate	Taxable value	Amount				Place of Supply (Name of State/UT)
	No.	Date	Value			Integrated Tax	Central Tax	State / UT Tax	Cess	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
4A. Supplies other than those (i) attracting reverse charge and (ii) supplies made through e-commerce operator", the words, brackets and letters, "attracting reverse charge (including supplies made through e-commerce operator attracting TCS)										
4B. Supplies attracting tax on reverse charge basis										

5. Taxable outward inter - State supplies to un - registered persons where the invoice value is more than Rs 2.5 lakh

Place of Supply (State/UT)	Invoice details			Rate	Taxable Value	Amount	
	No.	Date	Value			Integrated Tax	Cess
1.	2.	3.	4.	5.	6.	7.	8.
5A.Outward supplies (other than supplies made through e-commerce operator, rate wise)", the words, brackets, letters, "Outward supplies (including supplies made through e-commerce operator, rate wise)							

6. Zero rated supplies and Deemed Exports

GSTIN of recipient	Invoice details			Shipping bill/ Bill of export		Integrated Tax			Central Tax			State / UT Tax			Cess
	No.	Date	Value	No.	Date	Rate	Taxable value	Amt.	Rate	Taxable value	Amt.	Rate	Taxable value	Amt.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
6A. Exports															
6B. Supplies made to SEZ unit or SEZ Developer															
6C. Deemed exports															

7. Taxable supplies (Net of debit notes and credit notes) to unregistered persons other than the supplies covered in Table 5

Rate of tax	Total Taxable value	Amount			
1	2	3	4	5	6
7A. Intra-State supplies					
Consolidated rate wise outward supplies [including supplies made through e-commerce operator attracting TCS]					

7B. Inter-State Supplies where invoice value is up to Rs 2.5 Lakh [Rate wise]"Consolidated rate wise outward supplies [including supplies made through e-commerce operator attracting TCS]					
Place of Supply (Name of State)					

8. Nil rated, exempted and non GST outward supplies

Description	Nil Rated Supplies	Exempted (Other than Nil rated/non - GST supply)	Non - GST supplies
1.	2.	3.	4.
8A. Inter-State supplies to registered persons.			
8B. Intra-State supplies to registered persons.			
8C. Inter-State supplies to unregistered persons.			
8D. Intra-State supplies to unregistered persons.			

9. Amendments to taxable outward supply details furnished in returns for earlier tax periods in Table 4, 5 and 6 [including debit and credit notes, refund vouchers issued during current period and amendments thereof]

Details of original document			Revised details of document or details of original Debit or Credit Notes						Rate	Taxable Value	Amount				Place of supply
GSTIN	No.	Date	GSTIN	Document		Shipping bill		Value			Integrated Tax	Central Tax	State / UT Tax	Cess	
				No.	Date	No.	Date								
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
9A. Amendment of invoice/Shipping bill details furnished earlier															
9B. Debit Notes/Credit Notes [original]															
9C. Debit Notes/Credit Notes [Amended]															

10. Amendments to taxable outward supplies to unregistered persons furnished in returns for earlier tax periods in Table 7

Rate of tax	Total Taxable value	Amount			
		Integrated	Central	State/UT Tax	Cess
1.	2.	3.	4.	5.	6.
Tax period for which the details are being revised		<Month/Quarter>			
10A. Intra-State Supplies [including supplies made through e-commerce operator attracting TCS] [Rate wise]					
10B. Inter-State Supplies [including supplies made through e-commerce operator attracting TCS] [Rate wise]					
Place of Supply (Name of State)					

11. Consolidated Statement of Advances Received/Advance adjusted in the current tax period/ Amendments of information furnished in (Net of refund vouchers, if any)

Rate	Gross Advance Received/adjusted	Place of supply	Amount			
			Integrated	Central	State/UT	Cess
1.	2.	3.	4.	5.	6.	7.
I Information for the current tax period						
11A. Advance amount received in the tax period for which invoice has not been issued (tax amount to be added to output tax liability)						
11A (1). Intra-State supplies (Rate Wise)						
11A (2). Inter-State Supplies (Rate Wise)						
11B. Advance amount received in earlier tax period and adjusted against the supplies being shown in this tax period in Table Nos. 4, 5, 6 and 7						
11B (1). Intra-State Supplies (Rate Wise)						
11B (2). Inter-State Supplies (Rate Wise)						

II Amendment of information furnished in Table No. 11[1] in GSTR-1 statement for earlier tax periods [Furnish revised information]

Month									Amendment relating to information furnished in S. No.(select)	11A(1)	11A(2)	11B(1)	11B(2)

12. HSN-wise summary of outward supplies

Sr. No.	HSN	Description	UQC	Total Quantity	Rate of Tax	Total Taxable Value	Amount			
							Integrated Tax	Central Tax	State/UT Tax	Cess
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.

13. Documents issued during the tax period

Sr. No.	Nature of document	Sr. No.		Total number	Cancelled	Net issued
		From	To			
1.	2.	3.	4.	5.	6.	7.
1.	Invoices for outward supply 82					
2.	Invoices for inward supply from unregistered person					
3.	Revised Invoice					
4.	Debit Note					
5.	Credit Note					
6.	Receipt voucher					
7.	Payment Voucher					
8.	Refund voucher					
9.	Delivery Challan for job work					
10.	Delivery Challan for supply on approval					
11.	Delivery Challan in case of liquid gas					
12.	Delivery Challan in cases other than by way of supply (excluding at S no. 9 to 11)					

14. Details of the supplies made through e-commerce operators on which e-commerce operators are liable to collect tax under section 52 of the Act or liable to pay tax u/s 9(5) [Supplier to report]

Name of supply	GSTIN of e-commerce operator	Net value of supplies	Tax amount			
			Integrated tax	Central tax	State/UT tax	Cess
1	2	3	4	5	6	7
(a) Supplies on which e-commerce operator is liable to collect tax u/s 52						
(b) Supplies on which e-commerce operator is liable to pay tax u/s 9(5)						

14A. Amendment to details of the supplies made through e-commerce operators on which e-commerce operators are liable to collect tax under section 52 of the Act or liable to pay tax u/s 9(5) [Supplier to report]

Nature of supply	Original details		Revised details	Net value of supplies	Tax amount			
	Month / Quarter	GSTIN of e-commerce operator	GSTIN of e-commerce operator		Integrated tax	Central tax	State / UT tax	Cess
1	2	3	4	5	6			
(a) Supplies on which e-commerce operator is liable to collect tax u/s 52								
(b) Supplies on which e-commerce operator is liable to pay tax u/s 9(5)								

15. Details of the supplies made through e-commerce operators on which e-commerce operator is liable to pay tax u/s 9(5) [e-commerce operator to report]

Type of supplier	Type of recipient	Type of recipient	GSTIN of recipient	Document no	Document date	Rate	Value of supplies made	Tax Amount				
								Integrated tax	Central tax	State / UT tax	Cess	Place of supply
1	2	3	4	5	6	7	8	9	10	11	12	13
Registered	Registered											
	Unregistered											
Unregistered	Registered											
	Unregistered											

15A (I). Amendment to details of the supplies made through e-commerce operators on which e-commerce operator is liable to pay tax u/s 9(5) [e-commerce operator to report, for registered recipients]

Type of supplier	Original details				Revised details				Rate	Value of supplies made	Tax amount				Place of supply
	GSTIN of recipient	Doc. no.	Doc. date	GSTIN of supplier	GSTIN of recipient	Doc. no.	Doc. date	Integrated tax			Integrated tax	Central tax	State / UT tax	Cess	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Registered															
Unregistered															

15A (II). Amendment to details of the supplies made through e-commerce operators on which e-commerce operator is liable to pay tax u/s 9(5) [e-commerce operator to report, for unregistered recipients]

Type of supplier	Original details	Tax period	Revised details	Rate	Value of supplies made	Tax amount				Place of supply
						GSTIN of supplier	GSTIN of supplier	Integrated tax	Central tax	
1	2	3	4	5	6	7	8	9	10	11

(r) For the instructions, the following shall be substituted, namely:-

"A. General Instructions

1. Terms used:

a. GSTIN: Goods and Services Tax Identification Number

b. UIN: Unique Identity Number

c. UQC: Unit Quantity Code

d. HSN: Harmonized System of Nomenclature

e. POS: Place of Supply (Respective State)

f. TCS: Tax collection at source by e-commerce operator

g. SEZ: Special Economic Zone

h. ECO: E-commerce operator

i. DTA: Domestic Tariff Area

j. B to B: Supplies from one registered person to another registered person

k. B to C: Supplies from registered person to unregistered person

2. Quarterly taxpayers filing invoice details through GSTR-1 or IFF for the first two month(s) of the quarter shall not repeat such details while filing GSTR-1 of the quarter.

B. Table specific instructions-

Sr. No. 1	Table No. 2	Instruction 3
1	4A	<p>i. Supplies made to registered persons including supplies made through ecommerce operator attracting TCS u/s 52, but excluding supplies attracting tax on reverse charge basis, shall be reported.</p> <p>ii. Supplies made u/s 9(5) for which e-commerce operator is liable to pay tax shall not be reported in this table.</p> <p>iii. The supplies made by SEZ on cover of a bill of entry shall not be reported by SEZ unit /developer.</p>
2	4B	Supplies made to registered persons, attracting tax on reverse charge basis, shall be reported. Supplies made u/s 9(5) for which e-commerce operator is liable to pay tax shall not be reported in this table
3	5	Inter-State supplies made to unregistered persons having invoice value more than Rs. 2.50 lakh shall be reported.

4	6A	Exports with or without IGST shall be reported. Shipping bill details, if applicable, can be provided later through table 9 if such details are not available at the time of filing the statement.
5	6B	Supplies made to SEZ units or SEZ developers, with or without IGST, shall be reported
6	6C	Deemed export supplies shall be reported
7	7	Supplies made to unregistered persons other than those reported in table 5 shall be reported. Values shall be net of credit and debit notes
8	8	Supplies having no tax liability (Nil rated, exempted and non-GST supplies) shall be reported. Supplies made through E-commerce Operator under section 9(5) shall not be included under exempted supplies of supplier.
9	9A	Amendment of values reported in table 4A, 4B, 5, 6A, 6B and 6C shall be reported.
10	9B	Credit and debit notes issued during the period shall be reported
11	9C	Amendment of credit and debit notes reported in table 9B shall be reported.
12	10	Amendment of unregistered supplies reported in table 7 shall be reported.
13	11(I)A	Advances received shall be reported. The values shall be net of refund vouchers, if any
14	11(I)B	Advances adjusted during the period shall be reported
15	11(II)	Amendment to advances received or adjusted shall be reported
16	12	HSN details as per notifications issued by Government from time to time shall be reported
17	13	Details of the documents issued during the period shall be reported.
18	14(a)	Details of the supplies reported in any table from 4 to 10, made through e-commerce operator on which ECO is liable to collect tax at source (TCS) under section 52, shall be reported by the supplier.
19	14(b)	Details of supplies made through ECO, on which ECO is liable to pay tax u/s 9(5), shall be reported by the supplier. Tax on such supplies shall be paid by the ECO and not by the supplier
20	14A(a)	Amendment to supplies reported in table 14(a) in earlier tax period shall be reported
21	14A(b)	Amendment to supplies reported in table 14(b) in earlier tax period shall be reported
22	15	(i) ECO shall report details of the supplies made through him/her on which he/she is liable to pay tax u/s 9(5).

		(ii) GSTIN of supplier and recipient, if registered, shall be reported. (iii) Details of the documents issued by ECO shall be reported, if recipient is registered.
23	15A(I)	Amendment to the details reported in table 15 in earlier tax periods in respect of registered recipients shall be reported.
24	15A(II)	Amendment to the details reported in table 15 in earlier tax periods in respect of unregistered recipients shall be reported..

Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from and in case of any reduction in output tax liability the benefit thereof has been/will be passed on to the recipient of supply.

Signature
Name

Place of Authorised Signatory

Date Designation /Status.....

Instructions "

1. Terms used:

- a. GSTIN: Goods and Services Tax Identification Number
- b. UIN: Unique Identity Number
- c. UQC: Unit Quantity Code
- d. HSN: Harmonized System of Nomenclature
- e. POS: Place of Supply (Respective State)
- f. B to B: From one registered person to another registered person
- g. B to C: From registered person to unregistered person

2. The details in GSTR- 1 should be furnished by 10th of the month succeeding the relevant tax period.

3. Aggregate turnover of the taxpayer for the immediate preceding financial year and first quarter of the current financial year shall be reported in the preliminary information in Table 3. This information would be required to be submitted by the taxpayers only in the first year. Quarterly turnover information shall not be captured in subsequent returns. Aggregate turnover shall be auto-populated in subsequent years.

4. Invoice-level information pertaining to the tax period should be reported for all supplies as under:

- (i) For all B to B supplies (whether inter-State or intra-State), invoice level details, rate-wise, should be uploaded in Table 4, including supplies attracting reverse charge and those effected through e-commerce operator. Outwards supply information in these categories are to be furnished separately in the Table.
- (ii) For all inter-State B to C supplies, where invoice value is more than Rs.2,50,000/- (B to C Large) invoice level details, rate-wise, should be uploaded in Table 5; and
- (iii) For all B to C supplies (whether inter-State or intra-State) where invoice value is up to Rs.2,50,000/- State-wise summary of supplies, rate-wise, should be uploaded in Table 7.

5. Table 4 capturing information relating to B to B supplies should:

(i) be captured in:

a. Table 4A for supplies relating to other than reverse charge/ made through e-commerce operator, rate-wise;

b. Table 4B for supplies attracting reverse charge, rate-wise; and

c. Table 4C relating to supplies effected through e-commerce operator attracting collection of tax at source under section 52 of the Act, operator wise and rate-wise.

(ii) Capture Place of Supply (PoS) only if the same is different from the location of the recipient.

6. Table 5 to capture information of B to C Large invoices and other information shall be similar to Table 4. The Place of Supply (PoS) column is mandatory in this table.

7. Table 6 to capture information related to:

(i) Exports out of India

(ii) Supplies to SEZ unit/ and SEZ developer

(iii) Deemed Exports

8. Table 6 needs to capture information about shipping bill and its date. However, if the shipping bill details are not available, Table 6 will still accept the information. The same can be updated through submission of information in relation to amendment Table 9 in the tax period in which the details are available but before claiming any refund / rebate related to the said invoice. The detail of Shipping Bill shall be furnished in 13 digits capturing port code (six digits) followed by number of shipping bill.

9. Any supply made by SEZ to DTA, without the cover of a bill of entry is required to be reported by SEZ unit in GSTR-1. The supplies made by SEZ on cover of a bill of entry shall be reported by DTA unit in its GSTR-2 as imports in GSTR-2. The liability for payment of IGST in respect of supply of services would, be created from this Table..

10. In case of export transactions, GSTIN of recipient will not be there. Hence it will remain blank.

11. Export transactions effected without payment of IGST (under Bond/ Letter of Undertaking (LUT)) needs to be reported under "0" tax amount heading in Table 6A and 6B.

12. Table 7 to capture information in respect of taxable supply of:

- (i) B to C supplies (whether inter-State or intra-State) with invoice value upto Rs2,50,000;
- (ii) Taxable value net of debit/ credit note raised in a particular tax period and information pertaining to previous tax periods which was not reported earlier, shall be reported in Table 10. Negative value can be mentioned in this table, if required;
- (iii) Transactions effected through e-commerce operator attracting collection of tax at source under section 52 of the Act to be provided operator wise and rate wise;
- (iv) Table 7A (1) to capture gross intra-State supplies, rate-wise, including supplies made through e-commerce operator attracting collection of tax at source and Table 7A (2) to capture supplies made through e-commerce operator attracting collection of tax at source out of gross supplies reported in Table 7A(1);
- (v) Table 7B (1) to capture gross inter-State supplies including supplies made through e-commerce operator attracting collection of tax at source and Table 7B(2) to capture supplies made through e-commerce operator attracting collection of tax at source out of gross supplies reported in Table 7B (1);and
- (vi) Table 7B to capture information State wise and rate wise.

13. Table 9 to capture information of: 85

- (i) Amendments of B to B supplies reported in Table 4, B to C Large supplies reported in Table 5 and Supplies involving exports/SEZ unit or SEZ developer/ deemed exports reported in Table 6;
- (ii) Information to be captured rate-wise;

- (iii) It also captures original information of debit / credit note issued and amendment to it reported in earlier tax periods; While furnishing information the original debit note/credit note, the details of invoice shall be mentioned in the first three columns, While furnishing revision of a debit note/credit note, the details of original debit note/credit note shall be mentioned in the first three columns of this Table,
- (iv) Place of Supply (PoS) only if the same is different from the location of the recipient;
- (v) Any debit/ credit note pertaining to invoices issued before the appointed day under the existing law also to be reported in this table; and
- (vi) Shipping bill to be provided only in case of exports transactions amendment.

14. Table 10 is similar to Table 9 but captures amendment information related to B to C supplies and reported in Table 7.

15. Table 11A captures information related to advances received, rate-wise, in the tax period and tax to be paid thereon along with the respective PoS. It also includes information in Table 11B for adjustment of tax paid on advance received and reported in earlier tax periods against invoices issued in the current tax period. The details of information relating to advances would be submitted only if the invoice has not been issued in the same tax period in which the advance was received.

16. Summary of supplies effected against a particular HSN code to be reported only in summary table. It will be optional for taxpayers having annual turnover upto Rs.1.50 Cr but they need to provide information about description of goods.

17. It will be mandatory to report HSN code at two digits level for taxpayers having annual turnover in the preceding year above Rs.1.50 Cr but upto Rs.5.00 Cr and at four digits level for taxpayers having annual turnover above Rs.5.00 Cr.

18. It will be mandatory to specify the number of digits of HSN code for goods or services that a class of registered persons shall be required to mention as may be specified in the notification issued from time to time under proviso to rule 46 of the said rules.

FORM GSTR-2A

[See rule 60(1)]

Details of auto drafted supplies

(From GSTR 1, GSTR 5, GSTR-6, GSTR-7, GSTR-8, import of goods and inward supplies of goods received from SEZ units / developers)

Year							
Month							

1.	GSTIN								
2.	(a)	Legal name of the registered person							
	(b)	Trade name, if any							

PART A

(Amount in Rs. all Tables)

3. Inward supplies received from a registered person including supplies attracting reverse charge

GSTIN of supplier	Trade/ Legal name	Invoice details				Rate (%)	Taxable value	Amount of tax				Place of supply (Name of State/ UT)	Supply attracting reverse charge (Y/N)	GSTR-1/5 period	GSTR1/5 filing date	GSTR-3B filing status (Yes/ No)	Amendment made, if any (GSTIN, Others)	Tax period in which amended	Effective date of cancellation, if any
		No.	Type	Date	Value			Integrated Tax	Central Tax	State/UT Tax	Cess								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20

4. Amendment to Inward supplies received from a registered person including supplies attracting reverse charge (Amendment to 3)

Details of original Document	Revised details						Rate (%)	Taxable value	Amount of tax				Place of supply (Name of State/ UT)	Supply attracting reverse charge (Y/N)	GSTR1/5 period	GSTR1/5 filing date	GSTR-3B filing status (Yes/ No)	Amendment made (GSTIN, Others)	Tax period of original record	Effective date of cancellation if any	
	No.	Date	GSTIN	Trade/ Legal name	No.	Type			Date	Value	Integrated Tax	Central Tax									State/UT Tax
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22

5. Debit / Credit notes received during current tax period

GSTIN of supplier	Trade / Legal name	Credit / Debit Note Details						Rate (%)	Taxable value	Amount of tax				Place of supply (Name of State/UT)	Supply attracting reverse charge (Y/N)	GSTR1/5 filing date	GSTR-3B filing status (Yes/No)	Amendment made, if any (GSTIN, Others)	Tax period in which amended	Effective date of cancellation, if any
		No.	Note Type	Note Supply type	Date	Value	Integrated Tax			Central Tax	State/UT Tax	Cess								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21

6. Amendment to Debit / Credit notes (Amendment to 5)

Details of original document		Revised details										Rate (%)	Taxable value	Amount of tax				Place of supply (Name of State/UT)	Supply attracting reverse charge (Y/N)	GSTR-1/5 filing date	GSTR-3B filing status (Yes/No)	Amendment made (GSTIN, Others)	Tax period of original record	Effective date of cancellation if any	
Type	No.	GSTIN of Supplier	Trade/Legal name	No.	Note Type	Note Supply type	Date	Value	Integrated Tax	Central Tax	State/UT Tax			Cess											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		

PART B

7. ISD credit received

GSTIN of ISD	Trade/ Legal name	ISD document details		ISD invoice details (for ISD credit note only)			ITC amount involved				GSTR-6 Period	GSTR6 filing date	Amendment made, if any	Tax Period in which amended	ITC Eligibility
		Type	No.	Date	No.	Date	Integrated Tax	Central Tax	State/UT Tax	Cess					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

8. Amendments to ISD credit details

Original ISD Document Details		Revised details								Original ISD invoice details (for ISD credit note only)				ITC amount involved				ISD GST R-6 Period	ISD-GSTR-6 filing date	Amendment made	Tax period of original record	ITC Eligibility
Type	No.	GSTIN of ISD	Trade/Legal name	Type	No.	Date	No.	No.	Date	Integrated Tax	Central Tax	State/UT Tax	Cess									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19				

PART- C

9. TDS and TCS Credit (including amendments thereof) received

GSTIN of Deductor / GSTIN of ECommerce Operator	Deductor Name / ECommerce Operator Name	Tax period of GSTR-7 / GSTR-8 (Original / Amended)	Amount received / Gross value (Original / Revised)	Value of supplies returned	Net amount liable for TCS	Amount (Original / Revised)		
						Integrated Tax	Central Tax	State/UT Tax
1	2	3	4	5	6	7	8	9
9A. TDS								
9B. TCS								

PART- D

10. Import of goods from overseas on bill of entry (including amendments thereof)

ICEGATE Reference date	Bill of entry details				Amount of tax		Amended (Yes/ No)
	Port code	No.	Date	Value	Integrated tax	Cess	
1	2	3	4	5	6	7	8

11. Inward supplies of goods received from SEZ units / developers on bill of entry (including amendments thereof)

GSTIN of the Supplier (SEZ)	Trade / Legal name	ICEGATE Reference date	Bill of Entry details				Amount of tax		Amended (Yes/ No)
			Port code	No.	Date	Value	Integrated tax	Cess	
1	2	3	4	5	6	7	8	9	10

Instructions:

1. Terms Used :-

a. ITC " Input tax credit

b. ISD " Input Service Distributor

2. Important Advisory: FORM GSTR-2A is statement which has been generated on the basis of the information furnished by your suppliers in their respective FORMS GSTR1,5,6,7 and 8. It is a dynamic statement and is updated on new addition/amendment made by your supplier in near real time. The details added by supplier would reflect in corresponding FORM GSTR-2A of the recipient irrespective of supplier"s date of filing

3. There may be scenarios where a percentage of the applicable rate of tax rate may be notified by the Government. A separate column will be provided for invoices / documents where such rate is applicable.

4. Table wise instructions:

<u>Table No.</u> <u>and</u> <u>Heading</u>	<u>Instructions</u>
3 Inward supplies received from a registered person including supplies attracting reverse charge	i. The table consists of all the invoices (including invoices on which reverse charge is applicable) which have been saved / filed by your suppliers in their FORM GSTR-1 and 5. ii. Invoice type : a. R- Regular (Other than SEZ supplies and Deemed exports) b. SEZWP- SEZ supplies with payment of tax c. SEZWOP- SEZ supplies without payment of tax d. DE- Deemed exports e. CBW - Intra-State supplies attracting IGST iii. For every invoice, the period and date of FORM GSTR1/5 in which such invoice has been declared and filed is being provided. It may be noted that the details added by supplier would reflect in corresponding FORM GSTR-2A of the recipient irrespective of supplier"s date of filing. For example, if a supplier files his invoice INV-1 dated 10 th November 2019 in his FORM GSTR-1 of March 2020, the invoice will be reflected in FORM GSTR-2A of March, 2020 only. Similarly, if the supplier files his FORM

	<p>GSTR-1 for the month of November on 5th March 2020, the invoice will be reflected in FORM GSTR-2A of November 2019 for the recipient.</p> <p>iv. The status of filing of corresponding FORM GSTR-3B for FORM GSTR-1 will also be provided. v. The table also shows if the invoice or debit note was amended by the supplier and if yes, then the tax period in which such invoice was amended, declared and filed. For example, if a supplier has filed his invoice INV-1 dated 10th November 2019 in his FORM GSTR-1 of November 2019, the invoice will be reflected in FORM GSTR-2A of November, 2019. If the supplier amends this invoice in FORM GSTR-1 of December 2019, the amended invoice will be made available in Table 4 of FORM GSTR-2A of December 2019. The original record present in Table 3 of FORM GSTR-2A of November 2019 for the recipient will now have updated columns of amendment made (GSTIN, others) and tax period of amendment as December 2019.</p> <p>vi. In case, the supplier has cancelled his registration, the effective date of cancellation will be provided.</p>
<p>4 Amendment to Inward supplies received from a registered person including supplies attracting reverse charge (Amendment to table 3)</p>	<p>i. The table consists of amendment to invoices (including invoice on which reverse charge is applicable) which have been saved/filed by your suppliers in their FORM GSTR-1 and 5.</p> <p>ii. Tax period in which the invoice was reported originally and type of amendment will also be provided. For example, if a supplier has filed his invoice INV-1 dated 10th November 2019 in his FORM GSTR-1 of November 2019, the invoice will be reflected in FORM GSTR-2A of November, 2019. If the supplier amends this invoice in FORM GSTR-1 of December 2019, the amended invoice will be made available in Table 4 of FORM GSTR-2A of December 2019. The original record present in Table 3 of FORM GSTR-2A of November 2019 for the recipient will now have updated columns of amendment made (GSTIN, others) and tax period of amendment as December 2019.</p>
<p>5 Debit / Credit notes received</p>	<p>i. The table consists of the credit and debit notes (including credit/debit notes relating to transactions on which reverse charge is applicable) which have been saved/filed by your suppliers in their FORM GSTR-1 and 5.</p>

<p>during current tax period</p>	<p>ii. If the credit/debit note has been amended subsequently, tax period in which the note has been amended will also be provided.</p> <p>iii. Note Type:</p> <ul style="list-style-type: none"> o Credit Note o Debit Note <p>iv. Note supply type:</p> <ul style="list-style-type: none"> o R- Regular (Other than SEZ supplies and Deemed exports) o SEZWP- SEZ supplies with payment of tax o SEZWOP- SEZ supplies without payment of tax o DE- Deemed exports o CBW - Intra-State supplies attracting IGST <p>v. For every credit or debit note, the period and date of FORM GSTR-1/5 in which such credit or debit note has been declared and filed is being provided. It may be noted that the details added by supplier would reflect in corresponding FORM GSTR-2A of the recipient irrespective of supplier"s filing of FORM GSTR-1. For example, if a supplier files his credit note CN-1 dated 10th November 2019 in his FORM GSTR-1 of March 2020, the credit note will be reflected in FORM GSTR-2A of March, 2020 only. Similarly, if the supplier files his FORM GSTR-1 for the month of November on 5th March 2020, the credit note will be reflected in FORM GSTR-2A of November 2019 for the recipient.</p> <p>vi. The status of filing of corresponding FORM GSTR-3B of suppliers will also be provided.</p> <p>vii. The table also shows if the credit note or debit note has been amended subsequently and if yes, then the tax period in which such credit note or debit note was amended, declared and filed.</p> <p>viii. In case, the supplier has cancelled his registration, the effective date of cancellation will be displayed.</p>
<p>6 Amendment to Debit/Credit</p>	<p>i. The table consists of the amendments to credit and debit notes (including credit/debit notes on which reverse charge is applicable) which have been saved/filed by your suppliers in their FORM GSTR-1 and 5.</p>

notes (Amendment to 5)	ii. Tax period in which the note was reported originally will also be provided.
7 ISD credit received	<p>i. The table consists of the details of the ISD invoices and ISD credit notes which have been saved/filed by an input service distributor in their FORM GSTR-6.</p> <p>ii. Document Type :</p> <ul style="list-style-type: none"> o ISD Invoice o ISD Credit Note <p>iii. If ISD credit note is issued subsequent to issue of ISD invoice, original invoice number and date will also be shown against such credit note. In case document type is ISD Invoice these columns would be blank</p> <p>iv. For every ISD invoice or ISD credit note, the period and date of FORM GSTR-6 in which such respective invoice or credit note has been declared and filed is being provided.</p> <p>v. The status of eligibility of ITC on ISD invoices as declared in FORM GSTR-6 will be provided.</p> <p>vi. The status of eligibility of ITC on ISD credit notes will be provided.</p>
8 Amendment to ISD credit received	i. The table consists of the details of the amendments to details of the ISD invoices and ISD credit notes which have been saved/filed by an input service distributor in their FORM GSTR-6.
9 TDS / TCS credit received	<p>i. The table consists of the details of TDS and TCS credit from FORM GSTR-7 and FORM GSTR-8 and its amendments in a tax period.</p> <p>ii. A separate facility will be provided on the common portal to accept/reject TDS and TCS credit.</p>
10 & 11 Details of Import of goods from overseas on bill of entry and from	<p>i. The table consists of details of IGST paid on imports of goods from overseas and SEZ units / developers on bill of entry and amendment thereof.</p> <p>ii. The ICEGATE reference date is the date from which the recipient is eligible to take input tax credit.</p> <p>iii. The table also provides if the Bill of entry was amended.</p>

SEZ units and developers and their respective amendments	iv. Information is provided in the tables based on data received from ICEGATE. Information on certain imports such as courier imports may not be available.
---	---

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5	6
(i) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9 [to be furnished by the electronic commerce operator]					
(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under sub-section (5) of section 9 [to be furnished by the registered person making supplies through electronic commerce operator].					

3.2 Of the supplies shown in 3.1 (a) and 3.1.1(i) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders

	Place of Supply (State/UT)	Total Taxable value	Amount of Integrated Tax
1	2	3	4
Supplies made to Unregistered Persons			
Supplies made to Composition Taxable Persons			
Supplies made to UIN holders			

4. Eligible ITC

Details	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5

(A) ITC Available (whether in full or part)				
(1) Import of goods				
(2) Import of services				
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)				
(4) Inward supplies from ISD				
(5) All other ITC				
(B) ITC Reversed				
(1) As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17				
(2) Others				
(C) Net ITC Available (A) " (B)				
(D) Other Details				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period				
(2) Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions				

5. Values of exempt, nil-rated and non-GST inward supplies

Nature of supplies	Inter- State supplies	Intra- State supplies
1	2	3
From a supplier under composition scheme, Exempt and Nil rated supply		
Non GST supply		

6.1 Payment of tax

Description	Tax payable	Paid through ITC				Tax paid TDS./TCS	Tax/Cess paid in cash	Interest	Late Fee
		Integrated Tax	Central Tax	State/UT Tax	Cess				
1	2	3	4	5	6	7	8	9	10
Integrated Tax									
Central Tax									
State/UT Tax									
Cess									

6.2 TDS/TCS Credit

Details	Integrated Tax	Central Tax	State/UT Tax
1	2	3	4

Verification (by Authorised signatory) hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

Instructions:

- 1) Value of Taxable Supplies = Value of invoices + value of Debit Notes " value of credit notes + value of advances received for which invoices have not been issued in the same month " value of advances adjusted against invoices
- 2) Details of advances as well as adjustment of same against invoices to be adjusted and not shown separately
- 3) Amendment in any details to be adjusted and not shown separately.
- 4) An Electronic Commerce Operator (ECO) shall not include in 3.1(a) above, the supplies on which the ECO is required to pay tax under sub-section (5) of section 9 of

the Central Goods and Services Tax Act, 2017 and shall report such supplies in 3.1.1(i) above.

5) A registered person making supplies through an Electronic Commerce Operator (ECO) shall not include in 3.1(a) above, the supplies on which the ECO is required to pay tax under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and shall report such supplies in 3.1.1(ii) above."

"FORM GST DRC - 01
[See rule 100 (2) & 142(1)(a)]

Reference No:

Date:

To

_____ GSTIN/Temp. ID
 _____ Name
 _____ Address

Tax Period : _____ F.Y.: _____ Act -

Section / sub-section under which SCN is being issued -

SCN Reference No. ---

Date _____

Summary of Show Cause Notice

- (a) Brief facts of the case :
- (b) Grounds :
- (c) Tax and other dues :

(Amount in Rs.)

Sr. No.	Tax Rate	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
Total												Rs.

Signature

Name
Designation
Jurisdiction
Address

Note

-

1. Only applicable fields may be filled up.
2. Column nos. 2, 3, 4 and 5 of the above Table i.e. tax rate, turnover and tax period are not mandatory.
3. Place of Supply (POS) details shall be required only if the demand is created under the IGST Act."

FORM GST DRC- 03

[See rules 142(2) & 142 (3)]

Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement [or intimation of tax ascertained through FORM GST DRC-01A

1	GSTIN												
2	Name										< Auto>		
3	Cause of payment										<< drop down>>		
3A	Shipping bill details of erroneous IGST refund (to be enabled only if the specified category is chosen in drop down menu)										(i) Shipping Bill/ Bill of Export No. & Date: (ii) Amount of IGST paid on export of goods: (iii) Notification No. used for procuring inputs at concessional rate or exemption: (iv) Date of notification: (v) Amount of refund received: (vi) Amount of erroneous refund to be deposited: (vii) Date of credit of refund in Bank Account:		
4	Section under which voluntary payment is made										<< drop down>>		
5	Details of show cause notice, if payment is made within 30 days of its issue, scrutiny, intimation of tax ascertained through Form GST DRC01A, audit, inspection or investigation, GST RFD-01, others (specify)										Reference No./ARN		Date of issue/filing
6	Financial Year												
7	Details of payment made including interest and penalty, if applicable										(Amount in Rs.)		
Sr.No	Tax Period	Act	Place of supply (POS)	Tax/Cess	Interest	Penalty, if applicable	Fee	Others	Total	Ledger utilised (Cash/Credit)	Debit entry no.	Date of debit entry	
1	2	3	4	5	6	7	8	9	10	11	12	13	

8. Reasons, if any -

9. Verification-

I hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature of Authorized Signatory

Name

Designation / Status

Date """"""..

Note -

1.Payment to be made only in cash for deposit of erroneous refund of unutilised Input Tax Credit (ITC) and for deposit of erroneous refund of Integrated Goods and Services Tax (IGST), obtained in contravention of sub-rule (10) of rule 96.

2. ARN of FORM GST RFD-01 to be mentioned mandatorily if cause of payment is selected as " "deposit of erroneous refund of unutilised ITC".

3. Details of shipping bills to be entered in the same pattern in which the details have been entered in the returns.

"FORM GST DRC - 07
[See rule 100(1), 100(2), 100(3) & 142(5)]

Reference No:

1. Details of order :

- (a) Order No. :
- (b) Order date :
- (c) Financial year :
- (d) Tax period: From --- To -----

2. Issues involved :

3. Description of goods / services (if applicable):

Sr. No.	HSN code	Description

4. Section(s) of the Act under which demand is created:

5. Details of demand :

(Amount in Rs.)

"Sr. No.	Tax Rate	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
Total												

You are hereby directed to make the payment by <Date> failing which proceedings shall be initiated against you to recover the outstanding dues.

Signature

Name
Designation
Jurisdiction
Address

To

_____ (GSTIN/ID)

-----Name

_____ (Address)

Note -

1. Only applicable fields may be filled up.
2. Column nos. 2, 3, 4 and 5 of the Table at serial no. 5 i.e. tax rate, turnover and tax period are not mandatory.
3. Place of Supply (POS) details shall be required only if the demand is created under the IGST Act."

LEGAL MAXIMS & PHRASES

Introduction:

A legal maxim or legal phrase elucidates or expounds a legal principle, proposition or concept. There are many legal maxims, which are commonly used. This select compilation seeks to explain some maxims/phrases, which are relevant to tax context.

Alphabet	Legal maxim/phrase	Legal principle/concept
A	<i>Ab initio</i>	From the beginning or inception. From the first act.
	<i>Actio Personalis Moritur Cum Persona</i>	A personal right of action dies with the person
	<i>Actus Curiae Neminem Gravabit</i>	An Act of the Court shall prejudice no man
	<i>Actus Non Facit Reum Nisi Mens Sit Rea</i>	The intent and act must both concur to constitute the crime
	<i>Ad hoc</i>	For this. For this special purpose.
	<i>Ad valorem</i>	To the value or based on value.
	<i>Allegans Contraria Non Est Audiendus</i>	He is not be heard who alleges things contradictory to each other.
	<i>Audi Alterem Partem</i>	No man shall be condemned unheard.
	<i>Abundans cautela non nocet</i>	Abundant or extreme caution does no harm.
	<i>Actori incumbit onus probandi</i>	The burden of proof lies on the plaintiff
	<i>Actus Reus</i>	A guilty deed or act
C	<i>Contemporanea Expositio Est Optima Et Fortissimo In Lege</i>	Contemporaneous exposition or interpretation is regarded in law as the best and strongest (most

		prevailing). The best and surest mode of construing an instrument is to read it in the sense which would have been applied when it was drawn up
	<i>Cuilibet in Sua Arte Perito Est Credendum</i>	Credence should be given to one skilled in his peculiar profession. Credit is to be given to any one skilled in his own art or profession.
	<i>Cursus curiae est lex curiae</i>	The practice of this Court is the law of the Court. The course of the Court (that is, the course of procedure or practice) is the law of the Court.
D	<i>De Facto</i>	Existing in actuality, especially when contrary to or not established by law.
	<i>De Minimis Non Curat Lex</i>	The law does not concern itself with trifles
	<i>Delegatus non potest delegare</i>	A delegate himself cannot delegate. A delegated power cannot be further delegated.
E	<i>Ejusdem Generis</i>	Of the same class, or kind
	<i>Ex Post Facto</i>	After the fact.
	<i>Expressio Unius Est Exclusio Alterius</i>	Express mention of one thing excludes others. The special mention of one thing operates as the exclusion of things differing from it.
F	<i>Falsus in Uno Falsus in Omnibus</i>	False in one aspect is false in all respects. False in one thing, false in all.
G	<i>Generalia Specialibus non derogant</i>	General things do not derogate special things. General statements or provisions do not derogate from special statements or provisions.
H	<i>Habeas Corpus</i>	You have the body. A writ (court order) that commands an individual or a government official who has restrained another to produce

		the prisoner at a designated time and place so that the court can determine the legality of custody and decide whether to order the prisoner's release.
I	<i>Ignorantia Facti Excusatur – Ignorantia Juris Non Excusatur</i>	Ignorance of facts may be excused but not ignorance of law.
	<i>Impotentia Excusatur Legem</i>	Impossibility excuses the law. Inability excuses the nonobservance of the law.
	<i>In absentia</i>	"In absence," or more fully, in one's absence
	<i>Ipse Dixit</i>	He himself said it.
L	<i>Leges Posteriores Priores Contrarias Abrogant</i>	Later laws repeal earlier laws inconsistent therewith.
	<i>Lex Non Cogit Ad Impossibilia</i>	The law does not compel a person to do that which he cannot possibly perform. The law does not compel the performance of what is impossible.
	<i>Lex Posterior Derogat Priori</i>	A later law repeals an earlier law.
	<i>Lex specialis derogat legi generali</i>	Special law repeals general laws.
	<i>Locus Standi</i>	The right of a party to appear and be heard before a court.
M	<i>Mandamus</i>	A writ or order that is issued from a court of superior jurisdiction that commands an inferior tribunal/court to perform, or refrain from performing, a particular act, the performance of which is required by law as an obligation.
	<i>Modus Operandi</i>	Method of working.

	<i>Mutatis Mutandis</i>	The necessary changes.
N	<i>Nemo Debet Esse Judex in Propria Sua Causa</i>	No man can be judge in his own case. No one ought to be a judge in his own cause.
	<i>Nemo Debet BisVexari Pro Una Et Eadem Causa</i>	A man shall not be vexed twice for one and the same cause
	<i>Nemobis punitur poreo dem delicto</i>	No one can be punished twice for the same crime or offence
	<i>Nemopunitur pro alieno delicto</i>	No one is to be punished for the crime or wrong of another
	<i>Non Obstante</i>	Notwithstanding (any statute e to the contrary)
	<i>Noscitur a Sociis</i>	The meaning of a doubtful word may be ascertained by reference to the meaning of words associated with it.
	<i>Nova Constitutio Futuris Formam Imponere Debet, Non Praeteritis</i>	A new law ought to be prospective and not retrospective, in operation.
	<i>Nullus Commodum</i>	No man can take advantage
	<i>Capere Potest De Injuria Sua Propria</i>	of his own wrong.
O	<i>Obiter Dicta</i>	Remarks of a judge which are not necessary to reaching a decision, but are made as comments, illustrations or thoughts.
P	<i>Pari Materia</i>	Of the same matter; on the same subject
	<i>Per Incuriam</i>	By Mistake
Q	<i>Qui Facit Per Alium Facit Per Se</i>	He who acts by or through another, acts for himself. A person who does a thing through the instrumentality of another, is held as having done it himself.

	<i>Quid pro quo</i>	What for what or Something for something.
	<i>Quo Warranto</i>	An order issued by authority of the king. A legal proceeding during which an individual's right to hold an office or government's privilege is challenged.
R	<i>Ratio Decidendi</i>	The reason or rationale for the decision by Court.
	<i>Res Integra</i>	An entire thing; an entirely new or untouched matter.
	<i>Res Ipsa Loquitur</i>	The thing speaks for itself
	<i>Res Judicata</i>	A thing adjudged.
S	<i>Sub Silentio</i>	Under silence; without any notice being taken
	<i>Suppressio Veri or Suggestio Falsi</i>	Concealment of truth or a statement of falsehood
U	<i>Ubi Jus Ibi Remedium</i>	There is no wrong without a remedy. Wherever there is a right there is a remedy.
	<i>Ubi Non Est Principalis Non Potest Esse Accessorius</i>	Where there is no principal there is no accessory.
V	<i>Vigilantibus et non dormientibus jura subveniunt</i>	Law aids the vigilant and not the dormant or laws aid/assist those who are vigilant, not those who sleep upon/over their rights.
	<i>Volenti Non Fit Injuria</i>	To the consenting, no injury is done.

CENTRAL CIVIL SERVICES (CONDUCT) RULES, 1964

(Extract of important rules for reference purpose only)

2. Definitions

In these rules, unless the context otherwise requires,-

- (a) "The Government" means the Central Government;
- (b) "Government servant" means any person appointed by Government to any civil service or post in connection with the affairs of the Union and includes a civilian in a Defence Service;
- (c) "Members of family" in relation to a Government servant includes:-
 - (i) the wife or husband as the case may be, of the Government servant, whether residing with the Government servant or not but does not include a wife or husband, as the case may be, separated from the Government servant by a decree or order of a competent Court;
 - (ii) son or daughter or step-son or step-daughter of the Government servant and wholly dependent on him, but does not include a child or step-child who is no longer in any way dependent on the Government servant or of whose custody the Government servant has been deprived by or under any law;
 - (iii) any other person related, whether by blood or marriage to the Government servant or to the Government servant's wife or husband, and wholly dependent on the Government servant.

3. General

Do's

- (1) **Every Government servant shall at all times--**

- (i) maintain absolute integrity;
- (ii) maintain devotion to duty; and
- (iii) do nothing which is unbecoming of a Government servant.
- (iv) commit himself to and uphold the supremacy of the Constitution and democratic values;
- (v) defend and uphold the sovereignty and integrity of India, the security of the State, public order, and morality;
- (vi) maintain high ethical standards and honesty;
- (vii) maintain political neutrality;
- (viii) promote the principles of merit, fairness and impartiality in the discharge of duties;
- (ix) maintain accountability and transparency;
- (x) maintain responsiveness to the public, particularly to the weaker section;
- (xi) maintain courtesy and good behaviour with the public;
- (xii) take decisions solely in public interest and use or cause to use public resources efficiently, effectively and economically;
- (xiii) declare any private interests relating to his public duties and take steps to resolve any conflicts in a way that protects the public interest;
- (xiv) not place himself under any financial or other obligations to any individual or organisation which may influence him in the performance of his official duties;
- (xv) not misuse his position as civil servant and not take decisions in order to derive financial or material benefits for himself, his family or his friends;

- (xvi) make choices, take decisions and make recommendations on merit alone;
- (xvii) act with fairness and impartiality and not discriminate against anyone, particularly the poor and the under-privileged sections of society;
- (xviii) refrain from doing anything which is or may be contrary to any law, rules, regulations and established practices;
- (xix) maintain discipline in the discharge of his duties and be liable to implement the lawful orders duly communicated to him;
- (xx) maintain confidentiality in the performance of his official duties as required by any laws for the time being in force, particularly with regard to information, disclosure of which may prejudicially affect the sovereignty and integrity of India, the security of the State, strategic, scientific or economic interests of the State, friendly relation with foreign countries or lead to incitement of an offence or illegal or unlawful gain to any person;
- (xxi) perform and discharge his duties with the highest degree of professionalism and dedication to the best of his abilities.

Don'ts

1. Do not enter into any private correspondence with Foreign Embassies or Missions/High Commission.
2. Do not accept lavish or frequent hospitality from any individual, industrial or commercial firms, organizations, etc., having official dealings with you.
3. Do not accept any offer of the cost of passage to foreign countries or hospitality by way of free board and lodging there, if such offers are from foreign firms contracting with Government.

4. Do not accept invitations to you and members of your family for free inaugural flights offered by Air India, Indian Airlines Corporation or Foreign Airlines.
5. Do not accept any gift from any foreign firm which is having official dealings.
6. Do not engage yourself in canvassing business of Life Insurance Agency, omission Agency or Advertising Agency owned or managed by the members of your family.
7. Do not lend money to or borrow money from or deposit money as a member or agent, with any person, firm or private company with whom you are likely to have official dealings. Do not otherwise place yourself under pecuniary obligation with such person, firm or private company.
8. Do not approach your subordinates for standing surety for loans taken from private sources either by you/your relations/friends.
9. Do not undertake private consultancy work.
10. Do not speculate in any stock, share or other investment.
11. Do not purchase shares out of the quota reserved for friends and associates of Directors of Companies.
12. Do not bid at any auction of property where such auction is arranged by your own officers.
13. Do not stay as guest with foreign diplomats or foreign nationals in India.
14. Do not invite any Foreign Diplomat to stay with you as your guest in India.
15. Do not accept or permit your wife or dependents to accept passage money or free air transport from a Foreign Mission / Government or Organization.

16. Do not bring any political influence in matters pertaining to your service.
17. Do not consume any intoxicating drinks or drugs while on duty.
18. Do not appear in public place in a state of intoxication.
19. Do not indulge in any act sexual harassment of any women at her work place.
20. Do not employ children below 14 years of age.
21. Do not accept award of monetary benefits instituted by Private Trusts / Foundations, etc.
22. Do not make joint representations in matters of common interest.
23. Do not indulge in acts unbecoming of a Government servant.
24. Do not be discourteous, dishonest and partial.
25. Do not adopt dilatory tactics in your dealings with the public.
26. Do not convey oral instructions to subordinates. If any oral instruction is issued due to urgency, confirm it in writing as soon as possible.
27. Do not practice untouchability.
28. Do not associate yourself with any banned organizations.
29. Do not join any association or demonstration whose objects or activities are prejudicial to the interest of the sovereignty and integrity of India, public order and morality.
30. Do not give expressions to views on Indian or foreign affairs, while visiting foreign countries.
31. Do not get involved in unauthorized communication of any official document or any part of thereof or classified information to any Government servant or any other persons to whom you are not authorized to communicate such document or classified information.

32. Do not join or support any illegal strike.
33. Do not give or take or abet giving or taking of dowry or demand any dowry directly or indirectly from the parent or guardian of a bride or bridegroom.
34. Do not address the higher authority prematurely on the same issue unless it is established that all the points or submission made earlier have not been fully considered by the immediate superior head of office or any other authority at the lowest level competent to deal with matter.
35. Do not use your official position or influence directly or indirectly to secure employment for any member of your family in any company or firm.
36. Do not place yourself under any financial or other obligations to any individual or organization which may influence you in the performance of your official duties
37. Do not misuse your position as civil servant and take decision in order to derive financial or material benefits for yourself, your family or your friends.

3A. Promptness and Courtesy

No Government servant shall

- (a) in the performance of his official duties, act in a discourteous manner;
- (b) in his official dealings with the public or otherwise adopt dilatory tactics or willfully cause delays in disposal of the work assigned to him.

3C. Prohibition of sexual harassment of working women

- (1) No Government servant shall indulge in any act of sexual harassment of any woman at any work place.

(2) Every Government servant who is in charge of a work place shall take appropriate steps to prevent sexual harassment to any woman at the work place.

Explanation. - (I) For the purpose of this rule, -

(a) "sexual harassment" includes any one or more of the following acts or behaviour (whether directly or by implication) namely: -

- (i) physical contact and advances; or
- (ii) a demand or request for sexual favours; or
- (iii) making sexually coloured remarks; or
- (iv) showing pornography; or
- (i) any other unwelcome physical, verbal, non-verbal conduct of a sexual nature.

(b) the following circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour of sexual harassment may amount to sexual harassment: -

- (i) implied or explicit promise of preferential treatment in employment; or
- (ii) implied or explicit threat of detrimental treatment in employment; or
- (iii) implied or explicit threat about her present or future employment status; or
- (iv) interference with her work or creating an intimidating or offensive or hostile work environment for her; or
- (v) humiliating treatment likely to affect her health or safety.

(c) "workplace" includes, -

- (i) any department, organisation, undertaking, establishment, enterprise, institution, office, branch or unit which is established, owned, controlled or wholly or substantially financed by funds provided directly or indirectly by the Central Government;
- (ii) hospitals or nursing homes;
- (iii) any sports institute, stadium, sports complex or competition or games venue, whether residential or not used for training, sports or other activities relating thereto;
- (iv) any place visited by the employee arising out of or during the course of employment including transportation provided by the employer for undertaking such journey;
- (v) a dwelling place or a house.

4. Employment of near relatives of Government servant in Companies or firms

(1) No Government servant shall use his position or influence directly or indirectly to secure employment for any member of his family in any company or firm;

(2) (i) No Class I Officer shall, except with the previous sanction of the Government, permit his son, daughter or other dependant, to accept employment in any company or firm with which he has official dealings or in any other company or firm having official dealings with the Government:

(ii) A Government servant shall, as soon as he becomes aware of the acceptance by a member of his family of an employment in any company or firm, intimate such acceptance to the prescribed authority and shall also intimate whether he has or has had any official dealings with that company or firm:

(3) No Government servant shall in the discharge of his official duties deal with any matter or give or sanction any contract to any company or firm or any other person if any member of his family is employed in that company or firm or under that person or if he or any member of his family is interested in such matter or contract in any other manner and the Government servant shall refer every such matter or contract to his official superior and the matter or contract shall thereafter be disposed of according to the instructions of the authority to whom the reference is made.

5. Taking part in politics and elections

(1) No Government servant shall be a member of, or be otherwise associated with, any political party or any organisation which takes part in politics nor shall he take part in, subscribe in aid of, or assist in any other manner, any political movement or activity.

(2) It shall be the duty of every Government servant to endeavour to prevent any member of his family from taking part in, subscribing in aid of, or assisting in any other manner any movement or activity which is, or tends directly or indirectly to be, subversive of the Government as by law established and where a Government servant is unable to prevent a member of his family from taking part in, or subscribing in aid of, or assisting in any other manner, any such movement or activity, he shall make a report to that effect to the Government.

(3) If any question arises whether a party is a political party or whether any organisation takes part in politics or whether any movement or activity falls within the scope of sub-rule (2), the decision of the Government thereon shall be final.

(4) No Government servant shall canvass or otherwise interfere with, or use his influence in connection with or take part in an election to any legislature or local authority:

Provided that -

(i) a Government servant qualified to vote at such election may exercise his right to vote, but where he does so, he shall give no indication of the manner in which he proposes to vote or has voted;

(ii) a Government servant shall not be deemed to have contravened the provisions of this sub-rule by reason only that he assists in the conduct of an election in the due performance of a duty imposed on him by or under any law for the time being in force.

EXPLANATION.- The display by a Government servant on his person, vehicle or residence of any electoral symbol shall amount to using his influence in connection with an election within the meaning of this sub-rule.

7. Demonstration and strikes

No Government servant shall -

(i) engage himself or participate in any demonstration which is prejudicial to the interests of the sovereignty and integrity of India, the security of the state, friendly relations with foreign States, public order, decency or morality, or which involves contempt of court, defamation or incitement to an offence, or

(ii) resort to or in any way abet any form of strike or coercion or physical duress in connection with any matter pertaining to his service or the service of any other Government servant.

8. Connection with press or other media

(1) No Government servant shall, except with the previous sanction of the Government, own wholly or in part, or conduct or participate in the editing or management of, any newspaper or other periodical publication or electronic media.

(2) Nothing in sub-rule (1) shall apply in case a Government servant in the bonafide discharge of his official duties publishes a book or participates in a public media.

(3) A Government servant publishing a book or participating in a public media shall at all times make it clear that the views expressed by him are his own and not that of Government.

9. Criticism of Government

No Government servant shall, in any radio broadcast, telecast through any electronic media or in any document published in his own name or anonymously, pseudonymously or in the name of any other person or in any communication to the press or in any public utterance, make any statement of fact or opinion -

(i) which has the effect of an adverse criticism of any current or recent policy or action of the Central Government or a State Government:

(ii) which is capable of embarrassing the relations between the Central Government and the Government of any State; or

(iii) which is capable of embarrassing the relations between the Central Government and the Government of any foreign State;

Provided that nothing in this rule shall apply to any statements made or views expressed by a Government servant in his official capacity or in the due performance of the duties assigned to him.

13. Gifts

(1) Save as provided in these rules, no Government servant shall accept, or permit any member of his family or any other person acting on his behalf to accept, any gift.

EXPLANATION.- The expression "gift" shall include free transport, boarding, lodging or other service or any other pecuniary advantage when

provided by any person other than a near relative or personal friend having no official dealings with the Government servant.

NOTE (1) - A casual meal, lift or other social hospitality shall not be deemed to be a gift -

NOTE (2) - A Government servant shall avoid accepting lavish hospitality or frequent hospitality from any individual, industrial or commercial firms, organisations, etc., having official dealings with him.

[(2) On occasions such as weddings, anniversaries, funerals or religious functions, when the making of gift is in conformity with the prevailing religious and social practice, a Government servant may accept gifts from his near relatives or from his personal friends having no official dealings with him, but shall make a report to the Government, if the value of such gift exceeds;-

(i) rupees twenty-five thousand in the case of a Government servant holding any Group 'A' post;

(ii) rupees fifteen thousand in the case of a Government servant holding any Group 'B' post;

(iii) rupees seven thousand five hundred in the case of a Government servant holding any Group 'C' post; and

(3) In any other case of a Government servant shall not accept any gift without sanction of the Government if the value thereof exceeds.

(i) rupees one thousand five hundred in the case of a Government servant holding any Group 'A' or Group 'B' post; and

(ii) rupees five hundred in the case of a Government servant holding any Group 'C' or Group 'D' post.

13-A. Dowry

No Government servant shall-

(i) give or take or abet the giving or taking of dowry; or

(ii) demand directly or indirectly, from the parent or guardian of a bride or bridegroom, as the case may be, any dowry.

15. Private trade or employment

(1) Subject to the provisions of sub-rule (2), no Government servant shall, except with the previous sanction of the Government-

(a) engage directly or indirectly in any trade or business, or

(b) negotiate for, or undertake, any other employment, or

(c) hold an elective office, or canvass for a candidate or candidates for an elective office, in any body, whether incorporated or not, or

(d) canvass in support of any business of insurance agency, commission agency, etc., owned or managed by any member of his family, or

(e) take part except in the discharge of his official duties, in the registration, promotion or management of any bank or other company registered or required to be registered, under the Companies Act, 1956 or any other law for the time being in force, or of any co-operative society for commercial purposes.

(f) participate in or associate himself in any manner in the making of-

(i) a sponsored media (radio or television) programme; or

(ii) a media programme commissioned by Government media but produced by a private agency; or

(iii) a privately produced media programme including video magazine:

Provided that no previous permission shall be necessary in case where the Government servant participates in a programme produced or commissioned by Government media in his official capacity.

(2) A Government servant may, without the previous sanction of the Government -

(a) undertake honorary work of a social or charitable nature, or

(b) undertake occasional work of a literary, artistic or scientific character, or

(c) participate in sports activities as an amateur, or

(d) take part in the registration, promotion or management (not involving the holding of an elective office) of a literary, scientific or charitable society or of a club or similar organisation, the aims or objects of which relate to promotion of sports, cultural or recreational activities, registered under the Societies Registration Act, 1860, or any other law for the time being in force, or

(e) take part in the registration, promotion or management (not involving the holding of elective office) of a co-operative society substantially for the benefit of Government servants, registered under the Co-operative Societies Act, 1912, or any other law for the time being in force:

Provided that: -

(i) he shall discontinue taking part in such activities, if so directed by the Government; and

(ii) in a case falling under clause (d) or clause(e) of this sub-rule, his official duties shall not suffer thereby and he shall, within a period of one month of his taking part in such activity, report to the Government giving details of the nature of his participation.

(3) Every Government servant shall report to the Government if any member of his family is engaged in a trade or business or owns or manages an insurance agency or commission agency.

(4) Unless otherwise provided by general or special orders of the Government, no Government servant may accept any fee for any work done by him for any private or public body or any private person without the sanction of the prescribed authority.

15 A. Sub-letting and vacation of Government accommodation

(1) Save as otherwise provided in any other law for the time being in force, no Government servant shall sub-let, lease or otherwise allow occupation by any other person of Government accommodation which has been allotted to him.

(2) A Government servant shall, after the cancellation of his allotment of Government accommodation vacate the same within the time-limit prescribed by the allotting authority.

16. Investment, lending and borrowing

(1) No Government servant shall speculate in any stock, share or other investment:

Provided that nothing in this sub-rule shall apply to occasional investments made through stock brokers or other persons duly authorised and licensed or who have obtained a certificate of registration under the relevant law.

Explanation - Frequent purchase or sale or both, of shares, securities or other investments shall be deemed to be speculation within the meaning of this sub-rule.

(2) (i) No Government servant shall make, or permit any member of his family or any person acting on his behalf to make, any investment which is likely to embarrass or influence him in the discharge of his official duties. For this purpose, any purchase of shares out of the quotas reserved for Directors of Companies or their friends and associates shall be deemed to be an investment which is likely to embarrass the Government servant.

(ii) No Government servant who is involved in the decision-making process of fixation of price of an Initial Public Offering or Follow-up Public Offering of shares of a Central Public Sector Enterprise shall apply, either himself or through any member of his family or through any

other person acting on his behalf, for allotment of shares in the Initial Public Offerings or Follow-up Public Offerings of such Central Public Sector Enterprise.

(3) If any question arises whether any transaction is of the nature referred to in sub-rule (1) or sub-rule(2), the decision of the Government thereon shall be final.

(4) (i) No Government servant shall, save in the ordinary course of business with a bank or a public limited company, either himself or through any member of his family or any other person acting on his behalf,-

(a) lend or borrow or deposit money, as a principal or an agent to, or from or with, any person or firm or private limited company within the local limits of his authority or with whom he is likely to have official dealings or otherwise place himself under any pecuniary obligation to such person or firm or private limited company; or

(b) lend money to any person at interest or in a manner whereby return in money or in kind is charged or paid;

Provided that a Government servant may, give to, or accept from a relative or a personal friend, a purely temporary loan of a small amount free of interest, or operate a credit account with a bona fide tradesman or make an advance of pay to his private employee;

Provided further that nothing in this sub-rule shall apply in respect of any transaction entered into by a Government servant with the previous sanction of the Government.

(ii) When a Government servant is appointed or transferred to a post of such nature as would involve him in the breach of any of the provisions of sub-rule (2) or sub-rule

(4), he shall forthwith report the circumstances to the prescribed authority and shall thereafter act in accordance with such order as may be made by such authority.

17. Insolvency and habitual indebtedness

A Government servant shall so manage his private affairs as to avoid habitual indebtedness or insolvency. A Government servant against whom any legal proceeding is instituted for the recovery of any debt due from him or for adjudging him as an insolvent, shall forthwith report the full facts of the legal proceedings to the Government.

18. Movable, immovable and valuable property

(1) (i) Every Government servant shall on his first appointment to any service or post submit a return of his assets and liabilities, in such form as may be prescribed by the Government, giving the full particulars regarding -

(a) the immovable property inherited by him, or owned or acquired by him or held by him on lease or mortgage, either in his own name or in the name of any member of his family or in the name of any other person;

(b) shares, debentures and cash including bank deposits inherited by him or similarly owned, acquired, or held by him;

(c) other movable property inherited by him or similarly owned, acquired or held by him; and

(d) debts and other liabilities incurred by him directly or indirectly.

Every Government servant belonging to any service or holding any post included in Group 'A' and Group 'B' shall submit an annual return in such form as may be prescribed by the Government in this regard giving full particulars regarding the immovable property inherited by him or owned or acquired by him or held by him on lease or mortgage either in his own name or in the name of any member of his family or in the name of any other person.

(2) No Government servant shall, except with the previous knowledge of the prescribed authority, acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or in the name of any member of his family:

Provided that the previous sanction of the prescribed authority shall be obtained by the Government servant if any such transaction is with a person having official dealing with him.

(3) Where a Government servant enters into a transaction in respect of movable property either in his own name or in the name of the member of his family, he shall, within one month from the date of such transaction, report the same to the prescribed authority, if the value of such property exceeds two months' basic pay of the Government servant:

Provided that the previous sanction of the prescribed authority shall be obtained by the Government servant if any such transaction is with a person having official dealings with him.

Explanation I. - For the purposes of this rule -

(1) the expression "movable property" includes-

(a) jewellery, insurance policies, the annual premia of which exceeds Rs. 'two months' basic pay of the Government servant , shares, securities and debentures;

(b) all loans, whether secured or not, advanced or taken by the Government servant;

(c) motor cars, motor cycles, horses or any other means of conveyance; and

(d) refrigerators, radios radiograms and television sets.

20. Canvassing of non-official or other outside influence

No Government servant shall bring or attempt to bring any political or other outside influence to bear upon any superior authority to further his

interests in respect of matters pertaining to his service under the Government.

21. Restriction regarding marriage

(1) No Government servant shall enter into, or contract, a marriage with a person having a spouse living; and

(2) No Government servant, having a spouse living, shall enter into, or contract, a marriage with any person:

Provided that the Central Government may permit a Government servant to enter into, or contract, any such marriage as is referred to in clause (1) or clause(2), if it is satisfied that-

(a) such marriage is permissible under the personal law applicable to such Government servant and the other party to the marriage; and

(b) there are other grounds for so doing.

(3) A Government servant who has married or marries a person other than of India Nationality shall forthwith intimate the fact to the Government.

22. Consumption of intoxicating drinks and drugs

A Government servant shall -

(a) strictly abide by any law relating to intoxicating drinks or drugs in force in any area in which he may happen to be for the time being;

(b) not be under influence of any intoxicating drink or drug during the course of his duty and shall also take due care that the performance of his duties at any time is not affected in any way by the influence of such drink or drug;

(bb) refrain from consuming any intoxicating drink or drug in a public place;

(c) not appear in a public place in a state of intoxication;

(d) not use any intoxicating drink or drug to excess.

General Financial Rules, 2017

(Extract of important rules for reference purpose only)

Rule 7

All moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought into Government Account without delay, in accordance with such general or special rules as may be issued under Articles 150 and 283 (1) of the Constitution.

Rule 12

Amounts due to Government shall not be left outstanding without sufficient reasons.

Where such amounts appear to be irrecoverable, the orders of the competent authority shall be obtained for their adjustment.

GENERAL PRINCIPLES RELATING TO EXPENDITURE AND PAYMENT OF MONEY

Rule 21

Standards of financial propriety. Every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following:-

- (i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

- (ii) The expenditure should not be prima facie more than the occasion demands.
- (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv) Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless –
 - (a) a claim for the amount could be enforced in a Court of Law, or
 - (b) the expenditure is in pursuance of a recognized policy or custom.

Rule 33 (6)

In cases of loss to Government on account of culpability of Government servants, the loss should be borne by the Central Government Department or State Government concerned with the transaction. Similarly, if any recoveries are made from the erring Government officials in cash, the receipt will be credited to the Central Government Department or the State Government who sustained the loss.

Rule 33 (7)

All cases involving loss of Government money arising from erroneous or irregular issue of cheques or irregular accounting of receipts will be reported to the Controller General of Accounts along with the circumstances leading to the loss, so that he can take steps to remedy defects in rules or procedures, if any, connected therewith.

Rule 34

Loss of Government Property due to fire, theft, fraud. Departmental Officers shall, in addition to taking action as prescribed in Rule 33, follow the provisions indicated below in cases involving material loss or destruction of Government property as a result of fire, theft, fraud, etc.

All losses above the value of Rupees Fifty thousand due to suspected fire, theft, fraud, etc., shall be invariably reported to the Police for investigation as early as possible.

Once the matter is reported to the Police Authorities, all concerned should assist the Police in their investigation. A formal investigation report should be obtained from the Police Authorities in all cases, which are referred to them.

Rule 35

Loss of immovable property by fire, flood etc. All loss of immovable property exceeding Rupees fifty thousand, such as buildings, communications, or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, shall be reported at once by the subordinate authority concerned to Government through the usual channel. All other losses should be immediately brought to the notice of the next higher authority.

Rule 37

Responsibility of losses. An officer shall be held personally responsible for any loss sustained by the Government through fraud or negligence on his part. He will also be held personally responsible for any loss arising from fraud or negligence of any other officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence. The departmental proceedings for assessment of responsibility for the loss shall be conducted according to the instructions contained in Appendix 1 and those issued by the Ministry of Personnel from time to time.

Rule 42

Financial Year. Financial year of the Government shall commence on the 1st day of April of each year and end on the 31st day of March of the following year.

CONTROL OF EXPENDITURE AGAINST BUDGET

Rule 57 (1)

Responsibility for control of Expenditure. The Departments of the Central Government shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal. The control shall be exercised through the Heads of Departments and other Controlling Officers, if any, and Disbursing Officers subordinate to them.

Rule 59

Personal attention of the Head of Department /Controlling Officer required to estimate savings or excesses. A Head of Department or Controlling Officer shall be in a position to estimate the likelihood of savings or excesses every month and to regularize them in accordance with the instructions laid down in Rule 62.

Rule 62 (2)

The savings as well as provisions that cannot be profitably utilised shall be surrendered to Government immediately, they are foreseen without waiting till the end of the year. No savings shall be held in reserve for possible future excesses.

Rule 62 (3)

Rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided. The Financial Advisers of the Ministries/Departments shall ensure adherence to the stipulated Monthly Expenditure Plan and the guidelines issued in this regard by the Budget Division, Department of Economic Affairs, from time to time.

Rule 75

Period of Accounts. The annual accounts of the Central Government shall record transactions which take place during a financial year running from the 1st April to the 31st March thereof.

Rule 76

Currency in which Accounts are kept. The accounts of Government shall be maintained in Indian Rupees. All foreign currency transactions and foreign aid shall be brought into account after conversion into Indian Rupees.

PROCUREMENT OF GOODS

Rule 143

Definition of Goods. The term 'goods' used in this chapter includes all articles, material, commodity, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, vehicles, aircraft, ships, medicines, railway rolling stock, assemblies, subassemblies, accessories, a group of machineries comprising of an integrated production process or such other category of goods or intangible products like software, technology transfer, licenses, patents or other intellectual properties purchased or otherwise acquired for the use of Government but excludes books, publications, periodicals, etc. for a library. The term 'goods' also includes works and services which are incidental or consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.

Rule 144

Fundamental principles of public buying (for all procurements including procurement of works). Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in

matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks:-

- (i) The description of the subject matter of procurement to the extent practicable should -
 - (a) be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.
 - (b) not indicate a requirement for a particular trade mark, trade name or brand.
- (ii) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure.
- (iii) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist.

Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specification.

- (iv) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.

(v) offers should be invited following a fair, transparent and reasonable procedure.

(vi) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.

(vii) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.

Rule 145

Authorities competent to purchase goods. An authority which is competent to incur expenditure may sanction the purchase of goods required for use in public service in accordance with provisions in the Delegation of Financial Powers Rules, following the general procedure contained in the following rules.

Rule 147

Powers for procurement of goods. [The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods and services, that are not available on GeM. Common use Goods and Services available on GeM are required to be procured mandatorily through GeM as per Rule 149.]

Rule 149

Government e-Marketplace (GeM)

Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:

(i) Up to {Rs.25,000/-} through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.

Note: In case of automobiles, procurement under this sub-rule is permitted without any ceiling limit.

(ii) Above Rs.25,000/- and up to Rs.5,00,000/- through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs 5,00,000.

(iii) Above Rs.5,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM (excluding Automobiles where current limit of 30 lakh will continue).

(iv) The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM.

(v) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.

(vi) The Ministries/Departments shall work out their procurement requirements of Goods and Services on either "OPEX" model or "CAPEX" model as per their requirement/ suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual Procurement Plan of goods and services on GeM portal within 30 days of Budget approval.

(vii) The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools

available on GeM including the Last Purchase Price on GeM, Department's own Last Purchase Price etc.

(viii) A demand for goods shall not be divided into small quantities to make piecemeal purchases to avoid procurement through L-1 Buying / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

Rule 154

Purchase of goods without quotation Purchase of goods upto the value of Rs. 25,000 (Rupees twenty-five thousand) only]12 only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.

"I, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

Rule 155

Purchase of goods Purchase Committee.

[In case a certain item is not available on the GeM portal,]

Purchase of goods costing above [Rs.25,000 (Rupees twenty-five thousand only) and upto Rs.2,50,000/- (Rupees two lakh and fifty thousand only)] on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:

"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/ Department concerned."]

Rule 157

A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

Rule 160

E -Procurement

(i) It is mandatory for Ministries/ Departments to receive all bids through e-procurement portals in respect of all procurements.

(vi) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the Department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

Rule 162

Limited Tender Enquiry

(i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty-five Lakhs. Copies of the bidding document should be sent directly by speed post/registered post/courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three.

Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

Further, an organisation should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159.

Apart from CPPP, the organisations should publish the tender enquiries on the Department's or Ministry's web site.

(ii) The unsolicited bids should not be accepted. However, Ministries/ Departments should evolve a system by which interested firms can register and bid in next round of tendering.

(iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakhs, in the following circumstances.

Rule 170

Bid Security

(i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium Enterprises (MSME) or are registered with the Central

(a) The procuring entity shall solicit bids through an invitation to the electronic reverse auction to be Purchase Organisation or the concerned Ministry or Department [or Startups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT)] . The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured. The amount of bid security should be determined accordingly by the Ministry or Department and indicated in the bidding documents. The bid security may be accepted

in the form of [Insurance Surety Bonds] , Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee

(including e- Bank Guarantee) from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

(ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract. However, in case of two packet or two stage bidding, Bid securities of unsuccessful bidders during first stage i.e. technical evaluation etc. should be returned within 30 days of declaration of results of first stage i.e. technical evaluation etc.]

(iii) In place of a Bid security, the Ministries/ Departments may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

Rule 171

Performance Security

(i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the

Performance Security depends on the market conditions and commercial practice for the particular kind of goods. Performance Security should be for an amount of [three to ten per cent (3-10%)], of the value of the

contract as specified in the bid documents. Performance Security may be furnished in the form of [Insurance Surety Bonds], Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee (including e- Bank Guarantee) from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects.

(ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.

(iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

Rule 175 (1)

Code of Integrity

No official of a procuring entity or a bidder shall act in contravention of the codes which includes

(i) prohibition of -

(a) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.

(b) any omission, or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.

(c) any collusion, bid rigging or anticompetitive behavior that may impair the transparency, fairness and the progress of the procurement process.

(d) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.

(e) any financial or business transactions between the bidder and any official of the procuring entity related to tender or execution process of contract; which can affect the decision of the procuring entity directly or indirectly.

(f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.

(g) obstruction of any investigation or auditing of a procurement process.

(h) (i) making false declaration or providing false information for participation in a tender process or to secure a contract;

(ii) disclosure of conflict of interest.

(iii) Disclosure by the bidder of any previous transgressions made in respect of the provisions of sub-clause (i) with any entity in any country during the last three years or of being debarred by any other procuring entity.

Rule 175 (2)

The procuring entity, after giving a reasonable opportunity of being heard, comes to the conclusion that a bidder or prospective bidder, as the case may be, has contravened the code of integrity, may take appropriate measures.

PROCUREMENT OF SERVICES

Rule 177

"Consulting Service means any subject matter of procurement (which as distinguished from 'Non- Consultancy Services' involves primarily non-physical project-specific, intellectual and procedural processes where outcomes/ deliverables would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring

entity but does not include direct engagement of a retired Government servant.

Note: These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.

OUTSOURCING OF SERVICES

Rule 197

"Non-Consulting Service" means any subject matter of procurement (which as distinguished from 'Consultancy Services'), involve physical, measurable deliverables/ outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc.

^ ^ ^ ^

Notes on Pay & Allowances of Inspector of Central Tax
(PAY LEVEL: LEVEL 7 of 7th CPC
PAY MATRIX, SCALE OF PAY: Rs. 44,900 – 1,42,400)

CELL NO.	STAGES OF BASIC PAY ON EARNING INCREMENTS
1	44900
2	46200
3	47600
4	49000
5	50500
6	52000
7	53600
8	55200
9	56900
10	58600
11	60400
12	62200
13	64100
14	66000
15	68000
16	70000
17	72100
18	74300
19	76500
20	78800
21	81200
22	83600
23	86100
24	88700
25	91400
26	94100
27	96900
28	99800
29	102800
30	105900
31	109100
32	112400
33	115800
34	119300
35	122900
36	126600
37	130400
38	134300
39	138300
40	142400

GENERAL RULES OF OTHER ALLOWANCES:

DEARNESS ALLOWANCE (DA):

Enhanced Dearness Allowance will be declared twice in a year generally, first time in Mar/April which is applicable w.e.f. January and second time in Sep/Oct which is applicable w.e.f. July.

Regulation of DA:

- 1 During Leave: Depends on the Admissible Basic Pay.
- 2 During Joining Time: Basing on the Joining time pay.
- 3 During Suspension: Basin on Subsistence Allowance.

HOUSE RENT ALLOWANCE (HRA)

The towns/cities are classified as X, Y & Z all over India.

X, Y, Z Cities/Towns in ANDHRA PRADESH and TELENGANA

Type of city/town	X	Y	Z
Area	Hyderabad (urban area)	Urban areas of Vijayawada, Greater Visakhapatnam (Municipal Corporation) Guntur, Nellore and Warangal	All other places in in ANDHRA PRADESH and TELENGANA
RATE %	27	18	9

General orders applicable to HRA:

- Rate of HRA depends on PAY and place of working.
- Pay includes Basic Pay only.
- (No other pay such as NPA, Special pay, personal pay etc.)
- During Leave: HRA admissible during all kinds of Leave including Study Leave, Child care Leave. But when leave exceeds 180 days, a

certificate by the GS is required for continuous retention of the rented house/continuous residing in the place of duty. If GS does not join after leave due to invalidation/death HRA is payable for leave period but in case of resignation recovery should be affected before the resignation is accepted.

- During joining time: HRA is at the same rate at which it was drawn before transfer.
- During Suspension: HRA is admissible for a period of 180 days based on the pay fixed during suspension. Beyond 180 days period certificate is required.
- No HRA if occupying the Government accommodation. If GS accepts allotment, HRA will be discontinued from the date of occupation or from 8th day of allotment whichever is earlier. In case of refusal HRA will be discontinued from the date of allotment.
- HRA is admissible for a period of 8 months only at the new Station, if the GS retains the Govt. accommodation at the old station at normal rent/penal rent/market rent.
- No HRA, if the GS resides in an accommodation allotted to his/her spouse, parents, son/daughter by the Central/State Govt., an autonomous public undertaking or semi-Govt. organization such a Municipality, port trust, nationalized bank, LIC etc.
- Sharing accommodation with other GS: HRA is admissible provided he pays or contributes towards rent/tax without reference to the amount paid.
- Two or more members of family sharing Govt. accommodation only one of them at their choice can draw HRA. This restriction is not applicable, if they share a private accommodation.

TRANSPORT ALLOWANCE in AP & TELANGANA

RATE OF TPTA W.E.F. 1st JULY, 2017

Employees drawing PAY LEVEL	Hyderabad (Urban area)	Other places in AP and Telangana
9 and above	7200+DA	3600+DA
3 to 8 and also, Staff drawing Basic pay 24,200 and above	3600+DA	1800+DA
1 & 2	1350+DA	900+DA

- Those provided with Government Transport are not eligible for drawl of TPTA
- **During Leave:** The allowance will not be admissible for the calendar month(s) wholly covered by leave.
- **During deputation abroad:** The allowance will not be admissible during the period of deputation abroad.
- **During Tour:** If an employee is absent from the Headquarters /Place of Posting for full calendar month/months due to tour, he/she will not be entitled to Transport Allowance During that/those calendar month/months. However, if the absence does not cover any calendar month(s) in full, Transport Allowance will be admissible for full month.
- **During training treated as duty:** The allowance may be granted during such training, if no Transport Facility/ Traveling Allowance /Daily Allowance is provided for attending the training institute. During Official tour in him training course, the allowance will not be admissible when the period of the tour covers the whole calendar

month. Also, during training abroad, no Transport will be admissible when the period of such training covers the whole calendar month.

- During inspections /survey duty by Members of Special Parties within the city but exceeding 8 kms. From the Headquarters or during continuous field duty either in or outside the Headquarters: Transport Allowance is given to compensate for the expenditure incurred for commuting for both to and fro between the place of duty and residence. In case when one gets Road Mileage/Daily Allowance or free transportation for field/inspections /survey duty or tour for a period covering the whole calendar month, he/she will not be entitled to Transport Allowance during that calendar month.
- To vacation staff: Vacation staff is entitled to Transport Allowance provided no free transport facility is given to such staff. However, the allowance shall not be admissible when such vacation spell, including all kinds of Leave, cover the whole calendar month(s).
- During Suspension: As a Government employee under suspension is not required to attend office, he/she is not entitled to Transport Allowance during suspension where suspension covers full calendar month(s). This position will hold well even if the suspension period is finally treated as duty. Where suspension period covers a calendar month partially, Transport Allowance payable for that month shall be reduced proportionately.
- Transport Allowance for Disabled Central Government Employees: The persons with disabilities employed in Central Government are eligible to draw Transport Allowance at double the normal rates + DA thereon, irrespective of whether they are residing within the campus – housing the place of work and residence or Govt. or private accommodation within one km. of office.

Initial Pay and Allowances of Inspector who joined the Department as a Fresh Recruit during the period between 1st July,2023 and 31st December,2023 and as per their place of working as detailed above.

Cities Classification	X	Y	Z
Rate of HRA	HRA- 27% (Min.5400)	HRA- 18% Min.- 3600)	HRA- 9% (Min-1800)
Cities/Towns Classified under X, Y & Z areas in Andhra Pradesh and Telangana	HYDERABAD (URBAN AREA)	Urban areas of Vijayawada, Greater Visakhapatnam, Guntur, Nellore & Warangal	All towns not classified under X and Y Category
BASIC PAY	44,900	44,900	4,900
DA (&&&)	20,654	20,654	20,654
HRA	12,123	8,082	4,041
TRANSPORT Allowance	7,200	3,600	3,600
DA on Transport Allow.	3,312	1,656	1,656
TOTAL	88,189	78,892	74,851

DA rate is 46% w.e.f. 1-7-2023

LEAVES:

Eligible for grant of Leave as per Central Civil Service (Leave) Rules,1972

Central Civil Services (Leave) Rules,1972

RULE – 7: Right to leave:

- Leave cannot be claimed as a right
- Leave of any kind may be refused or revoked by the competent authority but, cannot alter the kind of leave due and applied

- Provided that leave applied under Rule 20, shall not be refused or revoked without reference to the Medical Authority, whose advice shall be binding.

Rule – 9:

- Leave shall not be granted to staff under suspension.
- Effect of dismissal, removal or resignation on leave at credit:
- In case of Dismissal and removal:
- No Leave salary for the leave at credit.
- In case of resignation:
- If GS applies for a post in new department and sent his application through proper channel then the Leave at his credit shall not lapse and total leave shall be carry forwarded to new post.
- 50% of Earned Leave at Credit as on date of Resignation will be payable.

Rule- 10: Commutation of one kind of leave into another:

At the request of the GS, leave already granted/availed can be commuted retrospectively provided if applies within 30 days of re-joining to duty after expiry of such leave and subject to adjustment of Leave salary. But GS cannot claim it as a matter of right.

Rule 11: Combination of different kinds of leave:

Except as otherwise provided in these rules, any kind of leave under these rules may be granted in combination with or in continuation of any other kind of leave except casual leave.

RULE 12: MAXIMUM PERIOD OF LEAVE

- No leave exceeding 5 years without the sanction of the President.

- Unless the President otherwise determines, if GS is absent for a continuous period exceeding 5 years other than foreign service, with or without leave, shall be deemed to have resigned from Service,
- Provided that this rule shall not apply to a case where leave is applied on medical certificate, in connection with a disability.

RULE 13

- While on leave, no GS is permitted to take up any employment.

RULE 14: Application for Leave

- Application for Leave or extension of leave shall be made in the prescribed format.
- Provided that where a Government servant is unable to submit an application or medical certificate on account of a disability, such application or medical certificate may be signed and submitted by
 - (a) the spouse of the Government servant; or
 - (b) the parents in case of an unmarried Government servant; or
 - (c) the child including adopted child or brother or sister of the Government servant, who has attained the age of majority; or
 - (d) any person who has been assigned limited guardianship of the Government servant in terms of Section 14 of the Rights of Persons with Disabilities Act, 2016 (49 of 2016), and the same shall be deemed to have been made and submitted by the Government servant himself.

RULE 15: LEAVE ACCOUNT:

- The leave account of the staff shall be maintained by the Head of Office.
- The leave account of the Head of Office shall be maintained by the next higher administrative authority

RULE 16: Admissibility of leave:

- Before granting of leave, admissibility report is required. When there is no such report, and there is undue delay in obtaining the admissibility report, provisional sanction of leave can be issued.

RULE 17: when leave should not be granted.

- If competent punishing authority has decided to dismiss, remove or compulsory retire the GS from Service, Leave should not be granted
- Leave shall not be granted to an official under suspension. (FR-55)
- Prior approval of the competent authority is required for the Leave sanctioning authority for grant of Leave for going abroad.

RULE 19: Grant of leave on MEDICAL CERTIFICATE:

CGHS Beneficiary:

- A GS (GO or NGO) who is a CGHS beneficiary shall be required to produce the Medical/ Fitness Certificate in the form prescribed in rule 19, from a CGHS Doctor. / Govt. Hospital.
- A Gazetted Officer who is a CGHS beneficiary, fell sick is away from CGHS area or proceeds on duty outside the Head Quarters shall be required to produce the Medical/Fitness Certificate from an AMA.
- But for an NGO some relaxation of rule: An NGO may be allowed to produce the Medical/Fitness Certificate from an RMP if AMA is not available within a radius of 8 km.

NON- CGHS Beneficiary:

- A GS (GO or NGO) who is a non-CGHS beneficiary shall be required to produce the Medical/Fitness Certificate in the form prescribed in rule 19, from a Government Hospital or an Authorised Medical Attendant.

SECOND MEDICAL OPINION:

- The Leave Sanctioning authority has discretion to obtain second medical opinion from Civil/Staff Surgeon under intimation to the Official who applied for Medical Leave.

22. Combination of holidays with leave

- Holidays/ RHs can be pre-fixed or suffixed to the Leave but not sandwiched in between leave.

Rule 25: ABSENCE AFTER EXPIRY OF LEAVE:

- Unless the authority competent to grant leave extends the leave, a Government servant who remains absent after the end of leave is entitled to no leave salary for the period of such absence and that period shall be debited against his leave account as though it were half pay leave, to the extent such leave is due, the period in excess of such leave due being treated as extraordinary leave.
- (2) Willful absence from duty after the expiry of leave renders a Government servant liable to disciplinary action

Rule 26 & 27: EARNED LEAVE:

- Advance credit of 15 Days per each half year in January / July Months.
- In case of Fresh Recruit credit would be @ 2 ½ days for each completed calendar month.
- 1/10th of the period of dies non /EOL availed during previous half year period will be deducted from advance credit.
- Maximum sanction of EL at a time is – 180 days

Rule 29 HALF PAY LEAVE:

- Can be availed on Medical or on Private issues.
- Advance credit would be 10 Days per each half year.

- In case of Fresh Recruit credit would be @ 5/3rd days for each completed calendar month.
- 1/18th of dies non availed during previous half year period will be deducted from advance credit.

Rule 30 COMMUTED LEAVE:

- It is in lieu of HPL.
- Maximum sanction limit is 90 days in entire service if applied for studies.
- No ceiling if it is on the medical grounds.
- It is to be granted only when the GS is likely to be return to duty after leave.
- Not exceeding 60 days of CML can be granted without MC, in continuation of Maternity Leave/ Child Adoption Leave.

RULE 31. LEAVE NOT DUE

- Leave not due is granted on Medical Grounds and with MC if no HPL is at the credit. It shall be adjusted against future HPL earnings.
- LND is only 360 days during entire service.
- If the GS resigns/retires, the differential Leave salary on account of Leave Not due has to be recovered.

RULE 32: EXTRA ORDINARY LEAVE

- EOL can be granted with or without MC
- Max. of 3 months to GS who is yet to be confirmed in the Service.
- In case of prolonged diseases like TB/LEPROSY/CANCER - 18 months if completion of service is more than 1 year.

38-A LTC ENCASHMENT

- A GS may be permitted to encash EL for 10 days at the time of availing LTC subject to the condition that there should be a balance of 30 days EL at his/her credit after encashment of 10 days EL as well No. of ELs being availed for that LTC.

39 -LEAVE ENCASHMENT AT THE TIME OF RETIREMENT

- A Maximum of 300 days of EL together with HPL can be encashed at the time of Retirement or Quitting of Service.

39 -LEAVE ENCASHMENT AT THE TIME OF RETIREMENT

- A Maximum of 300 days of EL together with HPL can be encashed at the time of Retirement or Quitting of Service.

39-A LEAVE ENCASHMENT IN CASE OF DEATH

- A Maximum of 300 days of EL together with HPL can be paid to the Members of /Family in the manner prescribed under rule 39-C of Leave Rules,1972.

43. MATERNITY LEAVE

- A Female GS with less than 2 surviving Children may be granted Maternity Leave for 180 days from the date of its commencement.
- In case of miscarriage: 45 days of Maternity Leave in entire service No restriction on account of number of children.
- Leave of any kind due and admissible (including Commuted Leave not exceeding 60 days and leave not due) up to a maximum of two years may if applied for , be granted in continuation of Maternity Leave (granted) without production of Medical Certificate.

43-A PATERNITY LEAVE:

- A male GS with less than two surviving children is eligible for 15 days PL during the period “before delivery or up to six months from the date of delivery”.

43-AA PATERNITY LEAVE FOR CHILD ADOPTION

- A male GS with less than two surviving children is eligible for 15 days PL during the period “within a period of six months from the date of a Valid Adoption”.

43-B . CHILD ADOPTION LEAVE:

- Child Adoption Leave for 180 days immediately after the date of valid adoption may be granted to A Female Govt. Servant.
- Only to FGS with less than 2 surviving Children

43-C CHILD CARE LEAVE:

- Maximum of 730 in entire service.
- Only for Female GS. But as per 7th CPC recommendations single male parents are also eligible for this CCL.
- The CCL is admissible for first two surviving children only. The child should be less than 18 years. No age limit if the child is disabled one.
- 100 % Leave salary for first 365 days period and 80% of Leave salary for the second half of 365 period.
- Not more than 3 spells in a calendar year. For single mother 6 spells.
- CCL minimum period is 5 days.
- CCL should not ordinarily be granted during Probation Period.
- LTC may be availed during CCL
- Prior approval of Competent authority is required to leave the Head Quarters during CCL.

CHILDREN EDUCATION ALLOWANCE

GENERAL CONDITIONS:

Applicable to all Central Government Employees **WITHOUT** any Pay limit.

When both WIFE & HUSBAND are Central Govt. Employees, only one of them can avail.

In case Spouse is working in another Government or organization:

If similar allowance is not granted to the Spouse and a declaration to that effect is furnished, then CEA can be admissible.

Up to which class admissible: From Nursery Classes (two years prior to 1st class) to 12th class. For first 2 years of “3-year Polytechnic diploma “provided joined on passing 10th Class.

The children should study in a Government School (State or Central) or

The school must be recognised by the Central/ State/ Union Territory Administration/University CEA admissible in case of children studying through Correspondence/Distance learning. For Divyang Institutions: Recognition is not required.

The CEA reimbursement shall be payable even if the child fails in a particular class. He can study in the same class once again. But, after passing of any Class if the child is admitted in another school in the same Class, CEA shall not be payable.

The following periods are counted for CEA Reimbursement.

1. Duty
2. Suspension
3. Leave
4. EOL

But **NOT** admissible for the Period of “dies non”

ON QUITTING OF SERVICE:

CEA is admissible up to the end of a particular academic year in which the GS ceases to be in service due to Retirement/ Discharge/ Dismissal/ Removal. In these cases, the CEA is payable by the Office where the GS last worked.

In case of Death, CEA will continue to be payable till such time the employee would have actually received the same subject to the condition that the spouse of the Deceased Govt. Servant is not employed in CG/ SG/ Autonomous Body. The Office where the GS last served has to pay the CEA in Death Cases.

MAXIMUM LIMIT OF CHILDREN:

CEA admissible for the first two Eldest Surviving Children with the following exceptions:

1. In case of second child birth results in twins/multiple birth.
2. In case of failure of Sterilization operation if another child born beyond the usual two children.

REIMBURSEMENT: Two types 1 Day scholars, 2. Hostellers

1. DAY SCHOLARS:

Rs. 2250/- p.m. per child. For Divyang Child Rs. 4500/- p.m. per child (CEA shall be increased by 25% every time the DA goes up by 50%)

2. HOSTELLERS: Rs. 6,750/- p.m. per child OR expenditure incurred whichever is less (Shall be increased by 25% every time the DA goes up by 50%)

AGE LIMIT OF CHILDREN:

No Minimum Age Prescribed.

Maximin age is 20 years for normal child

For Divyang Children Max. Age is 22 years.

PROCEDURE FOR RE-IMBURSEMENT: Will be done once in a financial year on completion of academic year. The GS has to produce a certificate from the Head of School/Institution that the child has studied in the school in previous academic year. In case such certificate cannot be obtained, Self-attested copy of report card or Self-attested fee receipts (including e-receipts) pertaining to the academic year for which CEA claiming

वभागाध्यक्ष / वरिष्ठ अ धकारियों द्वारा सामान्यतः प्रयुक्त वाक्यांश

**Commonly used phrases by the Heads of the
Department/Senior officers**

I agree.	मैं सहमत हूँ ।
I disagree.	मैं असहमत हूँ ।
Please discuss / Please Speak.	कृपया मुझसे चर्चा करें / कृपया बात करें ।
Sanctioned.	स्वीकृत / मंजूर ।
Approved / Approved as proposed.	अनुमोदित / यथा प्रस्ताव अनुमोदित ।
Leave Granted.	अवकाश स्वीकृत ।
Expedite action or Action at once please.	शीघ्र कार्रवाई करें ।
Approval may be accorded.	अनुमोदन प्रदान कर दिया जाए ।
Approved as modified.	यथा संशोधित अनुमोदित ।
Please check up.	कृपया जाँच करें ।
All concerned should note.	सभी संबंधित व्यक्ति नोट करें ।
Appropriate action may be taken.	उपयुक्त कार्रवाई की जाए ।
Relevant orders may be put up.	संबद्ध आदेश प्रस्तुत करें ।
Orders may be complied with.	आदेशों का अनुपालन किया जाए ।
Seen and returned thanks.	देखकर वापस किया, धन्यवाद ।
Reminder may be sent.	अनुस्मारक भेजा जाए ।
Issue instructions forthwith.	तत्काल अनुदेश जारी किया जाए ।
Summary of the case may be put up.	इस मामले में सार प्रस्तुत किया जाए ।
Please prepare brief of the case.	कृपया मामले का सारांश तैयार करें ।
Pending cases be disposed of early.	अनिर्णित मामले शीघ्र निपटाए जाएं ।
Draft approved as amended.	मसौदा संशोधित रूप में अनुमोदित किया जाता है।

Facts of the case may be put up / intimated.	मामले के तथ्य प्रस्तुत कए जाए /सू चत कया जाए ।
Necessary action should be taken.	आवश्यक कार्रवाई की जाए ।
Reply today/immediately/without delay.	उत्तर आज ही तत्काल/अ वलम्ब भेजें ।
Delay should be avoided.	वलम्ब न कया जाए /से बचा जाए ।
..... Comment may be called for. से वचार आमंत्रित कए जाए ।
Concurrence ofmay be obtained. की सहमति प्राप्त की जाए ।
Action may be taken as proposed in the note.....के नोट में यथा प्रस्ता वत कार्यवाही की जाए।
Orders may be complied with.	आदेशों का अनुपालन कया जाए ।
He / they may be informed, accordingly.	उसे / उन्हें सू चत कया जाए ।
Please expedite compliance.	कृपया शीघ्र अनुपालन करें ।
Minutes may be drawn.	कार्यवृत्त तैयार कया जाए ।
Seen and returned, thanks.	देखकर वापस कया, धन्यवाद ।
Issue instructions forthwith.	तत्काल अनुदेश जारी कया जाए ।
With best wishes / with regards.	शुभकामनाओं सहित / सादर ।
Reply should be sent in Hindi.	उत्तर हिन्दी में भेजा जाना चाहिए ।
Administrative approval may be obtained	प्रशासनिक अनुमोदन प्राप्त कया जाए ।
Competent authority's sanction is necessary	सक्षम प्रा धकारी की मंजूरी आवश्यक है ।
Consolidated report may be furnished	समे कत रिपोर्ट प्रस्तुत की जाए ।
Timely compliance may be ensured.	समय पर अनुपालन सुनिश्चित कर लया जाए ।
C.I.T.'s sanction for issuing notice U/s may be obtained.	धारा के अंतर्गत नोटिस जारी करने के लए आयकर आयुक्त की स्वीकृति प्राप्त करें ।
Calculate tax payable and work out interest	देय कर की गणना करें और ब्याज निकालें
Adjustment of prepaid taxes	पूर्वदत्त करों का समायोजन

Assessment order passed	कर-निर्धारण आदेश पारित किया गया ।
Calculate Arrears of tax	बकाया कर की गणना करें
Copy may also be sent to	प्रति ल प को भेज दी जाए ।
Issue refund voucher	रिफण्ड वाउचर जारी करें ।
Issue notice accordingly	तदनुसार नोटिस जारी करें ।
Issue show cause notice fixing the Hearing date	सुनवाई की तारीख देकर कारण बताओं नोटिस जारी करें ।
Inspector's report seen	निरीक्षक की रिपोर्ट देख ली ।
Issue hearing notice U/s	धारा के अधीन सुनवाई के लिए नोटिस जारी करें
Issue Income tax clearance certificate at once	आयकर-बेबाकी प्रमाण-पत्र (आयकर शोधन-पत्र) तुरन्त जारी करें ।
Ex-parte assessment	एकपक्षीय कर निर्धारण
Ex-parte judgment	एकपक्षीय निर्णय
Ex-parte proceeding	एक पक्षीय कार्यवाही
Enquiry may be completed and submit report at an early date.	जांच पूरी कर रिपोर्ट जल्दी प्रस्तुत की जाए
..... May be requested to clarify. से स्पष्टीकरण देने की प्रार्थना करें ।

सामान्यतः कार्यालय टिप्पण में प्रयुक्त हिन्दी वाक्यांश

Commonly used Hindi phrases in Routine Office Notes

Paper under consideration.	वचाराधीन पत्र ।
letter receive frommay please see से प्राप्त पत्र कृपया देखें ।
Submitted for perusal/approval/sanction.	अवलोकन/अनुमोदन/स्वीकृति के लए प्रस्तुत है।
Draft submitted for perusal/approval.	मसौदा अवलोकनार्थ /अनुमोदनार्थ प्रस्तुत है ।
Draft reply is put up for approval.	उत्तर का मसौदा अनुमोदनार्थ प्रस्तुत है ।
Approval may be accorded	अनुमोदन प्रदान कया जाए
Submitted for necessary orders.	आवश्यक आदेशों के लए प्रस्तुत है ।
Submitted for consideration/information.	वचार के लए प्रस्तुत है ।
Submitted for signature please.	हस्ताक्षर के लए प्रस्तुत है ।
May be approved/sanctioned.	कृपया अनुमोदित / स्वीकृत करें ।
A brief note is placed below.	सं क्षप्त नोट नीचे रखा है ।
Consolidated report put up for perusal/approval.	समे कत रिपोर्ट अवलोकन / अनुमोदन के लए प्रस्तुत है ।
Submitted for administrative approval	प्रशासनिक अनुमोदन के लए प्रस्तुत है ।
A brief note is placed below	सं क्षप्त नोट नीचे रखा है ।
Summary of the case is placed below	मामले का सारांश नीचे प्रस्तुत है ।
Accord approval/sanction to	कृपया को अनुमोदित / मंजूर करें ।
Please see before issue	कृपया जारी करने से पहले देखें ।
Bill has been scrutinised and found in order	बिल की जाँच की गई और उसे सही पाया गया ।
Proceedings put up for signature please	कार्यवाही हस्ताक्षर के लए प्रस्तुत है ।
Necessary report is still awaited	आवश्यक रिपोर्ट की अभी तक प्रतीक्षा है।

Notes / orders may please be seen on page in this connection	इस संबंध में पृष्ठ..... पर दी गई टिप्पणी आदेश देखें।
The report called for in the above matter is nil.	उपर्युक्त वषय पर मांगी गई रिपोर्ट 'शून्य' है।
Report/information called for in the reference cited is enclosed in the proforma prescribed.	उपर्युक्त संदर्भ में मांगी गई रिपोर्ट / सूचना निर्धारित प्रपत्र में संलग्न है।
No further action is called for.	आगे कोई कार्रवाई अपेक्षित नहीं है।
Passed for payment.	भुगतान के लिए पारित।
Please see for concurrence.	कृपया सहमति के लिए देखें।
Relevant orders are flagged.	संबद्ध आदेश पर पर्ची लगा दी गई है।
The bill is verified and found in order.	बिल की जाँच की गई है एवं ठीक है।
Matter may be referred to the concerned.	मामला संबंधित को भेजा जाए।
Advance of Rs. from G.P.F. may be sanctioned to	सामान्य भवष्य निध से को रु. की पेशगी मंजूर की जाए / की जा सकती है।
Letter received from is put up for perusal. से प्राप्त पत्र अवलोकन के लिए प्रस्तुत है।
Joining report may be seen.	कार्यग्रहण रिपोर्ट देखी जा सकती है।
Submitted for sanction of Earned leave of days to को दिन का अर्जित अवकाश स्वीकृत करने लिए प्रस्तुत है।
A list of cases disposed off is placed below	निपटाए गए मामलों की सूची नीचे रखी है।
Matter is under consideration.	मामला वचाराधीन है।
May be informed accordingly.	तदनुसार सूचित कर दिया जाए।
The required papers are placed below.	अपेक्षित कागज-पत्र नीचे रखे हैं।
Verified and found correct.	पड़ताल की और ठीक पाया
No objection certificate	अनापत्ति प्रमाण-पत्र

पदनाम/Designation

Ministry of Finance	वित्त मंत्रालय	उपयोगी प्रशासनिक शब्द	
Dept. of Revenue	राजस्व विभाग	Useful Administrative words	
Secretary	सचिव	Appropriate Authority	समुचित प्राधिकारी
Chairman	अध्यक्ष	Authorised Representative	प्राधिकृत प्रतिनिधि
Member	सदस्य	Audit	लेखा परीक्षा
Joint Secretary	संयुक्त सचिव	Competent Authority	सक्षम प्राधिकारी
Commissioner	आयुक्त	Co-ordination	समन्वयन
Chief Commissioner	मुख्य आयुक्त	Departmental Representative	विभागीय प्रतिनिधि
Pr.Chief Commissioner	प्रधान मुख्य आयुक्त	Exemption	छूट
Principal Commissioner	प्रधान आयुक्त	Finance Bill	वित्त विधेयक
Addl. Commissioner	आयुक्त	Administration	प्रशासन
Joint Commissioner	संयुक्त आयुक्त	Gazetted	राजपत्रित
Deputy Commissioner	उपायुक्त	Headquarter	मुख्यालय
Assistant Commissioner	सहायक आयुक्त	International Taxation	अंतरराष्ट्रीय कराधान
Director	निदेशक	Investigation	अन्वेषण
Director General	महानिदेशक	IRS	भारतीय राजस्व सेवा (भारसे)
Addl. Director General	अपर महानिदेशक	CESTAT	सीमा शुल्क उत्पाद शुल्क
Addl. Director	अपर निदेशक	Judicial	अपीलीय अधिकरण
Joint Director	संयुक्त निदेशक	Legislation	न्यायिक
Deputy Director	उप निदेशक	Non-Gazetted	अराजपत्रित
Assistant Director	सहायक निदेशक	OSD	विशेष कार्य अधिकारी
CAO	मुख्य लेखा अधिकारी	Pension	पेंशन
P&AO	भुगतान एवं लेखा अधिकारी	Personnel	कार्मिक
Superintendent	अधीक्षक	Revenue	राजस्व
Preventive Officer	निवारक अधिकारी	RSP&PR	गवेषणा, सांख्यिकी, प्रकाशन
PRO	जन संपर्क अधिकारी		व जन संपर्क (गसाप्रवजस)
Sr. PA	वरिष्ठ वैयक्तिक सहायक	System	सिस्टम, पद्धति,
Sr. PS	वरिष्ठ वैयक्तिक सचिव	प्रणाली	
Admn. Officer	प्रशासनिक अधिकारी	Technical	तकनीकी
Inspector	निरीक्षक	Transfer Pricing	अंतरण मूल्य निर्धारण
Sr. Translator	वरिष्ठ अनुवादक	Vigilance	सतर्कता
Jr. Translator	कनिष्ठ अनुवादक	Welfare	कल्याण
DDO	आहरण एवं संवितरण अधिकारी	Stake holder	हित धारक
STA	वरिष्ठ कर सहायक		
EA	कार्यपालक सहायक		
TA	कर सहायक		
Stenographer	आशुलिपिक		
LDC	अवर श्रेणी लिपिक		
Hawaldar	हवलदार		
Contingent staff	आकस्मिक कर्मचारी		
Sweeper	सफाईवाला		

Notes

**Induction Training for Inspectors of Central Tax
NACIN Zonal Campus, Visakhapatnam**

(September to December, 2023)



**Arms and Ammunition Training
Police Training College, Vizianagaram
(December, 2023)**



Handbook for GST Officers
(For internal Departmental use only)