

**THE ODISHA GOODS AND SERVICES TAX (AMENDMENT)
BILL, 2022**

**A
BILL**

**FURTHER TO AMEND THE ODISHA GOODS AND SERVICES TAX
ACT, 2017**

BE it enacted by the Legislature of the State of Odisha in the Seventy-third Year of the Republic of India as follows:--

Short title and
Commencement.

1. (1) This Act may be called the Odisha Goods and Services Tax (Amendment) Act, 2022.

(2) Save as otherwise provided, the provisions of this Act shall come into force on such date as the State Government may, by notification, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of
section 16.

2. In the Odisha Goods and Services Tax Act, 2017 (hereinafter referred to as the principal Act), in section 16, —

(a) in sub-section (2),—

Odisha Act 7 of
2017.

(i) after clause (b), the following clause shall be inserted, namely:—

“(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;”;

(ii) in clause (c), the words, figures and letter “or section 43A” shall be omitted; and

(b) in sub-section (4), for the words and figures “due date of furnishing of the return under section 39 for the month of September”, the words “thirtieth day of November” shall be substituted.

Amendment
of section 29.

3. In the principal Act, in section 29, in sub-section (2),—

(a) in clause (b), for the words “returns for three consecutive tax periods”, the words “the return for a financial year beyond three months from the due date of furnishing the said return” shall be substituted; and

(b) in clause (c), for the words “a continuous period of six months”, the words “such continuous tax period as may be prescribed” shall be substituted.

Amendment
of section 34.

4. In the principal Act, in section 34, in sub-section (2), for the word “September”, the words “the thirtieth day of November” shall be substituted.

Amendment of
section 37.

5. In the principal Act, in section 37,—

(a) for sub-section(1), the following sub-section shall be substituted, namely:—

“(1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of Section 10 or Section 51 or Section 52, shall furnish, electronically, subject to such conditions and restrictions and in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall, subject to such conditions and restrictions, within such time and in such manner as may be prescribed:

Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of central tax shall be deemed to be notified by the Commissioner.”;

(b) sub-section (2) shall be omitted;

(c) in sub-section (3),—

(i) the words and figures “and which have remained unmatched under section 42 or section 43” shall be omitted;

(ii) in the first proviso, for the words and figures “furnishing of the return under section 39 for the month of September”, the words “the thirtieth day of November” shall be substituted;

(d) after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies under sub-section (1), even if he has not furnished the details of outward supplies for one or more previous tax periods.”.

Amendment of section 38.

“Communication of details of inwards supplies and input tax credit.

6. In the principal Act, for section 38, the following section shall be substituted, namely:—

38.(1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an auto-generated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.

(2) The auto-generated statement under sub-section (1) shall consist of,—

(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and

(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37,—

(i) by any registered person within such period of taking registration as may be prescribed; or

(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or

(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or

(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or

(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed; or

(vi) by such other class of persons as may be prescribed.”.

Amendment
of section 39.

7. In the principal Act, in section 39,—

(a) in sub-section (5), for the word “twenty”, the word “thirteen” shall be substituted;

(b) in sub-section (7), for the first proviso, the following proviso shall be substituted, namely:—

“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,—

(i) 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

(ii) in lieu of the amount referred to in clause (i), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.”;

(c) in sub-section (9), —

(i) for the words and figures “Subject to the provisions of sections 37 and 38, if”, the word “Where” shall be substituted;

(ii) in the proviso, for the words “the due date for furnishing of return for the month of September or second quarter”, the words “the thirtieth day of November” shall be substituted;

(d) in sub-section (10), for the words "has not been furnished by him", the following shall be substituted, namely:—

"or the details of outward supplies under sub-section (1) of section 37 for the said tax period has not been furnished by him:

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods or has not furnished the details of outward supplies under sub-section (1) of section 37 for the said tax period. "

Amendment of section 41.

8. In the principal Act, for section 41, the following section shall be substituted, namely:—

"Availment of input tax credit.

41. (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. "

Omission of sections 42, 43 and 43A.

9. In the principal Act, sections 42, 43 and 43A shall be omitted.

Amendment of section 47.

10. In the principal Act, in section 47, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Any registered person who fails to furnish the details of outward supplies required under Section 37 or returns required under Section 39 or Section 45 or Section 52 by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees."

Amendment of section 48.

11. In the principal Act, in section 48, in sub-section (2), the words and figures " , the details of inward supplies under section 38" shall be omitted.

Amendment
of section 49.

12. In the principal Act, in section 49,—

- (a) in sub-section (2), the words, figures and letter “or section 43A” shall be omitted;
- (b) in sub-section (4), after the words “subject to such conditions”, the words “and restrictions” shall be inserted;
- (c) after sub-section (11), the following sub-section shall be inserted, namely:—

“(12) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, subject to such conditions and restrictions, specify such maximum proportion of output tax liability under this Act or under the Integrated Goods and Services Tax Act, 2017 which may be discharged through the electronic credit ledger by a registered person or a class of registered persons, as may be prescribed.”.

13 of 2017.

Amendment
of section 50.

13. In the principal Act, in section 50, for sub-section (3), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017, namely:—

“(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.”.

Amendment
of section 52.

14. In the principal Act, in section 52, in sub-section (6), in the proviso, for the words “due date for furnishing of statement for the month of September”, the words “thirtieth day of November” shall be substituted.

Amendment
of section 54.

15. In the principal Act, in section 54, —

- (a) in sub-section (1), in the proviso, for the words and figures “the return furnished under section 39 in such”, the words “such form and” shall be substituted;
- (b) in sub-section (2), for the words “six months”, the words “two years” shall be substituted;
- (c) in sub-section (10), the words, brackets and figure “under sub-section (3)” shall be omitted;
- (d) in the Explanation, in clause (2), after sub-clause (b), the following sub-clause shall be inserted, namely:—

“(ba) in case of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit where a refund of tax paid is available in respect of such supplies themselves, or as the case may be, the inputs or input services used in such supplies, the due date for furnishing of return under section 39 in respect of such supplies;”.

Amendment of notification issued under section 146 of the Odisha Goods and Service Tax Act, retrospectively.

16. (1) The notification of the Government of Odisha in the Finance Department No. 2270-FIN-CT1-TAX-0043/2017, dated the 25th January, 2018, published in the Extraordinary Issue No.115 of the *Odisha Gazette* dated the 25th January, 2018, bearing S.R.O. No.51/2018 issued by the Government, on the recommendations of the Council, under section 146 of the principal Act, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in sub-section (2), on and from the 22nd June, 2017.

(2) In the notification referred to in sub-section (1), in paragraph 1, after the words “furnishing of returns and computation and settlement of integrated tax” , the words, commas and figures “ and save as otherwise provided in the notification No. 42546-FIN-CT1-TAX-0034-2017 dated the 20th December, 2019 published in the Extraordinary Issue No. 2292 dated the 20th December, 2019 bearing S.R.O. No. 437/2019, all functions provided under the Odisha Goods and Services Tax, Rules, 2017” shall be inserted.

(3) For the purposes of sub-section (1), the Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the State Government had the power to amend the said notification under section 146 of the principal Act, retrospectively, at all material times.

Amendment of notification issued under sub-sections(1) and (3) of section 50, sub-section(12) of section 54 and section 56 of the Odisha Goods and Services Tax Act, retrospectively.

17. (1) The notification of the Government of Odisha in the Finance Department number 19825-FIN-CT1-TAX-0022-2017, dated the 29th June, 2017, published in the Extraordinary Issue No.1152 of the *Odisha Gazette* dated the 29th June, 2017, bearing S.R.O. No.314/2017 issued by the Government, on the recommendations of the Council, under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the principal Act, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in sub-section (2), on and from the 1st July, 2017.

(2) In the notification referred to in sub-section (1), in the Table, against serial number 2, in column (3), for the figure “24”, the figure “18” shall be substituted.

(3) For the purposes of sub-section (1), the Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Government had the power to amend the said notification under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the principal Act, retrospectively, at all material times.

Retrospective exemption from, or levy or collection of State tax in certain cases.

18. (1) Notwithstanding anything contained in the notification of the Government of Odisha in the Finance Department number 19829-FIN-CT1-TAX-0022-2017, dated the 29th June, 2017, published in the Extraordinary Issue No.1133 of the *Odisha Gazette* dated the 29th June, 2017, bearing S.R.O. No.295/2017 issued by the Government on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 9 of the principal Act, no State tax shall be levied or collected in respect of supply of unintended waste generated during the production of fish meal (falling under heading 2301), except for fish oil, during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive).

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

Retrospective effect to notification issued under sub-section (2) of section 7 of the Odisha Goods and Services Tax Act.

19. (1) Subject to the provisions of sub-section (2), the notification of the Government of Odisha in the Finance Department No.33446-FIN-CT1-TAX-0043-2017, dated the 30th September, 2019, published in the Extraordinary Issue No.1893 of the *Odisha Gazette* dated the 30th September, 2019, bearing S.R.O. No.335/2019 issued by the Government on the recommendations of the Council, in exercise of the powers under sub-section (2) of section 7 of the principal Act, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017.

(2) No refund shall be made of all such State tax which has been collected, but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times.

STATEMENT OF OBJECTS AND REASONS

The Odisha Goods and Services Tax Act, 2017 was enacted with a view to make a provision for levy and collection of tax on *intra-State* supply of goods or services or both by the State Government.

2. The new tax regime had faced certain difficulties like non-compliance to the statutory requirements related to filing of returns and annual returns within the stipulated period and failure to furnish details of outward supplies, interest on late filing of returns, large-scale misuse of the input tax credit etc. In order to overcome such difficulties, it is proposed to amend the Odisha Goods and Services Tax Act, 2017.

3. The proposed Odisha Goods and Services Tax (Amendment) Bill, 2022, *inter alia*, provides for the following, namely:—

- (i) to amend section 16 to provide that input tax credit with respect to a supply may be availed only when such credit has not been restricted in the details communicated to the registered person under section 38 and to provide that a registered person shall not be entitled to take input tax credit in respect of any invoice or debit note after the thirtieth day of November following the end of the financial year to which such invoice or debit note pertains, or furnishing of the relevant annual return, whichever is earlier.
- (ii) to amend section 29 so as to provide that the registration of a person paying tax under section 10 i.e. composition levy, is liable to be cancelled if the return for a financial year has not been furnished beyond three months from the due date of furnishing of the said return.
- (iii) to amend sub-section (2) of section 34 so as to provide for thirtieth day of November following the end of the financial year, or the date of furnishing of the relevant annual return, whichever is earlier, as the last date for issuance of credit notes in respect of any supply made in a financial year.
- (iv) to amend sub-section (1) of section 37 to provide for prescribing conditions and restrictions for furnishing the details of outward supply and as well as manner and time for communication of the details of such outward supplies to concerned recipients, and to provide for thirtieth day of November following the end of the financial year or

furnishing of the relevant annual return, whichever is earlier, as the last date for rectification of errors or omission in respect of details of outward supplies furnished under sub-section (1).

- (v) to substitute a new section for section 38 and to provide for prescribing such other supplies as well as the manner, time, conditions and restrictions for communication of details of inward supplies and input tax credit to the recipient by means of an auto-generated statement and to provide for the details of inward supplies in respect of which input tax credit may be availed and the details of supplies on which input tax credit cannot be availed by the recipient.
- (vi) to amend sub-section (5) of section 39 so as to provide that the non-resident taxable person shall furnish the return for a month within thirteen days after the end of the month or within seven days after the last day of the period of registration, whichever is earlier. It further proposes to provide an option to the said persons to pay either the self-assessed tax or an amount prescribed.
- (vii) to substitute a new section for section 41 to do away with the concept of "claim" of eligible input tax credit on a "provisional" basis.
- (viii) to omit section 42 relating to matching, reversal and reclaiming of input tax credit so as to do away with the concept of "claim" of eligible input tax credit on a "provisional" basis and subsequent matching, reversals and reclaim of such credit.
- (ix) to omit section 43 and 43 A relating to matching, reversal and reclaim of reduction in output tax liability.
- (x) to amend sub-section (1) of section 47 so as to provide for levy of late fee of Rs. 100 per day for delayed filing of return by the electronic commerce operators subject to a maximum of Rs. 5000/-.
- (xi) to amend sub-section (4) of section 49 so as to provide for prescribing restrictions for utilizing the amount available in the electronic credit ledger and prescribing the maximum proportion of output tax liability which may be discharged through the electronic credit ledger.
- (xii) to substitute a new sub-section for sub-section (3) of section 50 with effect from the 1st July, 2017, to provide for levy of interest on input tax credit wrongly availed and utilised, and to provide for prescribing manner of calculation of interest.
- (xiii) to amend proviso to sub-section (6) of section 52 to provide for the last date up to which the rectification of errors shall be allowed in the statement of outward supplies of goods or services or both, as 30th

- November of the year following the end of Financial year.
- (xiv) to amend proviso to sub-section (1) of section 54 so as to explicitly provide the form and manner of making claim of refund of any balance in the electronic cash ledger. It further seeks to amend sub-section (2) so as to align it with sub-section (1) by providing time limit of two years from the last day of the quarter in which the supply was received for claiming refund of tax paid on inward supplies of goods or services or both by the person. It also seeks to amend sub-section (10) so as to extend the scope of the said sub-section to all types of refund claims. It also seeks to insert a new sub-clause (ba) in clause (2) of Explanation, after sub-clause (b) in order to provide clarity regarding the relevant date for filing refund claim in respect of supplies made to a Special Economic Zone developer or a Special Economic Zone unit.
- (xv) to amend Finance Department notification no. 2270-FIN-CT1-TAX-0043/2017, dated the 25th January, 2018, to notify www.gst.gov.in, retrospectively, with effect from 22nd June, 2017, as the Common Goods and Services Tax Electronic Portal, for all functions provided under OGST Rules, 2017.
- (xvi) to amend Finance Department No. 19825-FIN-CT1-TAX-0022-2017, dated the 29th June, 2017 so as to notify the rate of interest under sub-section (3) of section 50 of the Act as 18%, retrospectively, with effect from the 1st day of July, 2017.
- (xvii) to provide retrospective exemption from SGST in respect of supply of unintended waste generated during the production of fish meal except for fish oil, during the period from the 1st day of July, 2017 upto the 30th day of September, 2019 including both days. It further seeks to provide that no refund shall be made of the said tax which has already been collected.
- (xviii) to give retrospective effect to the Finance Department notification No. 33446-FIN-CT1-TAX-0043-2017, dated the 30th September, 2019 with effect from the 1st day of July, 2017. It further seeks to provide that no refund shall be made of the SGST which has already been collected.

The Bill seeks to achieve the above objectives.

NIRANJAN PUJARI
MEMBER IN CHARGE

ANNEXURE
EXTRACT TAKEN FROM THE ODISHA GOODS AND SERVICES TAX
ACT, 2017
(ODISHA ACT 7 OF 2017)

* * *
CHAPTER-V
INPUT TAX CREDIT

Eligibility and conditions for taking input tax credit.

16 (1) *

(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 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 recipients 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.]

(c) subject to the provisions of Section 41 or Section 43A, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and

(d) he has furnished the return under Section 39:

Provided that where the goods against an invoice are received in lots or instalments, the registered person shall be entitled to take credit

upon receipt of the last lot or instalment:

Provided further that where a recipient fails to pay to the supplier of goods or services or both, other than the supplies on which tax is payable on reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equal to the input tax credit availed by the recipient shall be added to his output tax liability, along with interest thereon, in such manner as may be prescribed:

Provided also that the recipient shall be entitled to avail of the credit of input tax on payment made by him of the amount towards the value of supply of goods or services or both along with tax payable thereon.

(3) * * *

(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under Section 39 for the month of September following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

CHAPTER-VI REGISTRATION

* * *

Cancellation
or suspension
of registration

29 (1) *

(2) The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,—
(a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
(b) a person paying tax under Section 10 has not furnished returns for three consecutive tax periods; or
(c) any registered person, other than a person specified in clause (b), has not furnished returns for a continuous period of six months; or

* * *

Credit and
debit notes

34 (1) *

*

*

(2) Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:

Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

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CHAPTER-IX RETURNS

Furnishing
details
of
outward
supplies

37 (1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of Section 10 or Section 51 or Section 52, shall furnish, electronically, in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed:

Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period:

Provided further that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:

Provided also that any extension of time limit notified by the Commissioner of central tax shall be deemed to be notified by the Commissioner.

(2) Every registered person who has been communicated the details under sub-section (3) of

Section 38 or the details pertaining to inward supplies of Input Service Distributor under sub-section (4) of Section 38, shall either accept or reject the details so communicated, on or before the seventeenth day, but not before the fifteenth day, of the month succeeding the tax period and the details furnished by him under sub-section (1) shall stand amended accordingly.

(3) Any registered person, who has furnished the details under subsection(1) for any tax period and which have remained unmatched under Section 42 or Section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest,if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:

Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under Section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

EXPLANATION.—

For the purposes of this Chapter, the expression "DETAILS OF OUTWARD SUPPLIES" shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.

Furnishing
details
of inward
supplies

38.(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of Section 10 or Section 51 or Section 52, shall verify, validate, modify or delete, if required, the details relating to outward supplies and credit or debit notes communicated under sub-section (1) of Section 37 to prepare the details of his inward supplies and credit or debit notes and may include therein, the details of inward supplies and credit or debit notes received by him in respect of such supplies that have not been declared by the supplier under sub-section (1) of Section 37.

(2) Every registered person, other than an Input Service Distributor or a non-resident taxable

person or a person paying tax under the provisions of Section 10 or Section 51 or Section 52, shall furnish, electronically, the details of inward supplies of taxable goods or services or both, including inward supplies of goods or services or both on which the tax is payable on reverse charge basis under this Act and inward supplies of goods or services or both taxable under the Integrated Goods and Services Tax Act or on which integrated goods and services tax is payable under Section 3 of the Customs Tariff Act, 1975, and credit or debit notes received in respect of such supplies during a tax period after the tenth day but on or before the fifteenth day of the month succeeding the tax period in such form and manner as may be prescribed:

Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified herein:

Provided further that any extension of time limit notified by the Commissioner of central tax shall be deemed to be notified by the Commissioner.

(3) The details of supplies modified, deleted or included by the recipient and furnished under sub-section (2) shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.

(4) The details of supplies modified, deleted or included by the recipient in the return furnished under sub-section (2) or sub-section (4) of Section 39 shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.

(5) Any registered person, who has furnished the details under subsection (2) for any tax period and which have remained unmatched under Section 42 or Section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in the tax period during which such error or omission is noticed in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such

error or omission, in the return to be furnished for such tax period:

Provided that no rectification of error or omission in respect of the details furnished under sub-section (2) shall be allowed after furnishing of the return under Section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

* * *

Furnishing of 39 (1) *
returns * * *

(5) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within twenty days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of Section 27, whichever is earlier.

(6) * * *

(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, 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, in such form and manner, and within such time, 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, 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) * * *

*
 (9) Subject to the provisions of Sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or subsection (2) sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars [in 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 the due date for furnishing of return for the month of September or second quarter 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 has not been furnished by him.

* * *
 Claim of input tax credit and provisional acceptance thereof 41.(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited on a provisional basis to his electronic credit ledger.

(2) The credit referred to in sub-section (1) shall be utilised only for payment of self-assessed output tax as per the return referred to in the said sub-section

Matching, reversal and reclaim of input tax credit 42. (1) The details of every inward supply furnished by a registered person (hereafter in this section referred to as the "RECIPIENT") for a tax period shall, in such manner and within such time as may be prescribed, be matched—

(a) with the corresponding details of outward supply furnished

by the corresponding registered person (hereafter in this section referred to as the "SUPPLIER") in his valid return for the same tax period or any preceding tax period;

(b) with the integrated goods and services tax paid under Section 3 of the Customs Tariff Act, 1975 [51 of 1975] in respect of goods imported by him; and

(c) for duplication of claims of input tax credit.

(2) The claim of input tax credit in respect of invoices or debit notes relating to inward supply that match with the details of corresponding outward supply or with the integrated goods and services tax paid under Section 3 of the Customs Tariff Act, 1975 [51 of 1975] in respect of goods imported by him shall be finally accepted and such acceptance shall be communicated, in such manner as may be prescribed, to the recipient.

(3) Where the input tax credit claimed by a recipient in respect of an inward supply is in excess of the tax declared by the supplier for the same supply or the outward supply is not declared by the supplier in his valid returns, the discrepancy shall be communicated to both such persons in such manner as may be prescribed.

(4) The duplication of claims of input tax credit shall be communicated to the recipient in such manner as may be prescribed.

(5) The amount in respect of which any discrepancy is communicated under sub-section (3) and which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the recipient, in such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.

(6) The amount claimed as input tax credit that is found to be in excess on account of duplication of claims shall be added to the output tax liability of the recipient in his return for the month in which the duplication is communicated.

(7) The recipient shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5), if the supplier declares the details of the invoice or debit note in his valid return within the time specified in sub-section (9) of Section 39.

(8) A recipient in whose output tax liability any amount has been added under sub-section (5) or sub-section (6), shall be liable to pay interest at the rate specified under sub-section (1) of Section 50 on the amount so added from the date of availing of

credit till the corresponding additions are made under the said subsections.

(9) Where any reduction in output tax liability is accepted under sub-section (7), the interest paid under sub-section (8) shall be refunded to the recipient by crediting the amount in the corresponding head of his electronic cash ledger in such manner as may be prescribed:

Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the supplier.

(10) The amount reduced from the output tax liability in contravention of the provisions of sub-section (7) shall be added to the output tax liability of the recipient in his return for the month in which such contravention takes place and such recipient shall be liable to pay interest on the amount so added at the rate specified in sub-section (3) of Section 50.

Matching,
reversal
reclaim
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tax liability

and of in 36
43. (1) The details of every credit note relating to outward supply furnished by a registered person (hereafter in this section referred to as the "SUPPLIER") for a tax period shall, in such manner and within such time as may be prescribed, be matched—

(a) with the corresponding reduction in the claim for input tax credit by the corresponding registered person (hereafter in this section referred to as the "RECIPIENT") in his valid return for the same tax period or any subsequent tax period; and

(b) for duplication of claims for reduction in output tax liability. (2) The claim for reduction in output tax liability by the supplier that matches with the corresponding reduction in the claim for input tax credit by the recipient shall be finally accepted and communicated, in such manner as may be prescribed, to the supplier.

(3) Where the reduction of output tax liability in respect of outward supplies exceeds the corresponding reduction in the claim for input tax credit or the corresponding credit note is not declared by the recipient in his valid returns, the discrepancy shall be communicated to both such persons in such manner as may be prescribed.

(4) The duplication of claims for reduction in output tax liability shall be communicated to the supplier in such manner as may be prescribed.

(5) The amount in respect of which any discrepancy is communicated under sub-section (3) and which is not rectified by the recipient in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the supplier, in such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.

(6) The amount in respect of any reduction in output tax liability that is found to be on account of duplication of claims shall be added to the output tax liability of the supplier in his return for the month in which such duplication is communicated.

(7) The supplier shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5) if the recipient declares the details of the credit note in his valid return within the time specified in sub-section (9) of Section 39.

(8) A supplier in whose output tax liability any amount has been added under sub-section (5) or sub-section (6), shall be liable to pay interest at the rate specified under sub-section (1) of Section 50 in respect of the amount so added from the date of such claim for reduction in the output tax liability till the corresponding additions are made under the said sub-sections.

(9) Where any reduction in output tax liability is accepted under corresponding head of his electronic cash ledger in such manner as may be prescribed:

Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the recipient.

(10) The amount reduced from output tax liability in contravention of the provisions of sub-section (7) shall be added to the output tax liability of the supplier in his return for the month in which such contravention takes place and such supplier shall be liable to pay interest on the amount so added at the rate specified in sub-section (3) of Section 50.

Procedure for 43 A.(1) Notwithstanding anything contained in

furnishing
return and
availing input
tax credit.

sub-section (2) of Section 16, Section 37 or Section 38, every registered person shall in the returns furnished under sub-section (1) of Section 39 verify, validate, modify or delete the details of supplies furnished by the suppliers.

(2) Notwithstanding anything contained in Section 41, Section 42 or Section 43, the procedure for availing of input tax credit by the recipient and verification thereof shall be such as may be prescribed.

(3) The procedure for furnishing the details of outward supplies by the supplier on the common portal, for the purposes of availing input tax credit by the recipient shall be such as may be prescribed.

(4) The procedure for availing input tax credit in respect of outward supplies not furnished under sub-section (3) shall be such as may be prescribed and such procedure may include the maximum amount of the input tax credit which can be so availed, not exceeding twenty per cent. of the input tax credit available, on the basis of details furnished by the suppliers under the said sub-section.

(5) The amount of tax specified in the outward supplies for which the details have been furnished by the supplier under sub-section (3) shall be deemed to be the tax payable by him under the provisions of the Act.

(6) The supplier and the recipient of a supply shall be jointly and severally liable to pay tax or to pay the input tax credit availed, as the case may be, in relation to outward supplies for which the details have been furnished under sub-section (3) or subsection (4) but return thereof has not been furnished.

(7) For the purposes of sub-section (6), the recovery shall be made in such manner as may be prescribed and such procedure may provide for non-recovery of an amount of tax or input tax credit wrongly availed not exceeding one thousand rupees.

(8) The procedure, safeguards and threshold of the tax amount in relation to outward supplies, the details of which can be furnished under sub-section (3) by a registered person,—

- (i) within six months of taking registration;
- (ii) who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount, shall be such as may be prescribed.

* * *

Levy of late fee 47. (1) Any registered person who fails to furnish the details of outward or inward supplies required under Section 37 or Section 38 or returns required under Section 39 or Section 45 by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees.

(2) * * *

Goods and Services Tax practitioners 48. (1) * * *
 (2) A registered person may authorise an approved goods and services tax practitioner to furnish the details of outward supplies under Section 37, the details of inward supplies under Section 38 and the return under Section 39 or Section 44 or Section 45 and to perform such other functions in such manner as may be prescribed.

(3) * * *

**CHAPTER-X
PAYMENT OF TAX**

Payment of tax, interest, penalty and other amounts 49. (1) * * *
 (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 or Section 43A, to be maintained in such manner as may be prescribed.

(3) * * *

(4) The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions and within such time as may be prescribed.

(5) * * *

(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).

* * *

Interest on delayed payment of tax 50. (1) * * *
 (3) A taxable person who makes an undue or excess claim of input tax credit under sub-section

(10) of Section 42 or undue or excess reduction in output tax liability under sub-section (10) of Section 43, shall pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at such rate not exceeding twenty-four per cent, as may be notified by the Government on the recommendations of the Council.

Collection of tax at source

* * *
52. (1) *

(6) If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of Section 50:

Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.

Refund of tax

* * *
CHAPTER-XI
REFUNDS

54. (1) Any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed:

Provided that a registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of Section 49, may claim such refund in the return furnished under Section 39 in such manner as may be prescribed.

(2) A specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947 [46 of 1947], Consulate or Embassy of foreign countries or any other person or class of

persons, as notified under Section 55, entitled to a refund of tax paid by it on inward supplies of goods or services or both, may make an application for such refund, in such form and manner as may be prescribed, before the expiry of six months from the last day of the quarter in which such supply was received.

(3) * * *

(10) Where any refund is due under sub-section (3) to a registered person who has defaulted in furnishing any return or who is required to pay any tax, interest or penalty, which has not been stayed by any court, Tribunal or Appellate Authority by the specified date, the proper officer may—

(a) withhold payment of refund due until the said person has furnished the return or paid the tax, interest or penalty, as the case may be;

(b) deduct from the refund due, any tax, interest, penalty, fee or any other amount which the taxable person is liable to pay but which remains unpaid under this Act or under the existing law.

EXPLANATION.—

For the purposes of this sub-section, the expression "SPECIFIED DATE" shall mean the last date for filing an appeal under this Act.

(11) * * *

(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.

EXPLANATION.—

For the purposes of this section,—

(1) "REFUND" includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilised input tax credit as provided under sub-section (3).

(2) "RELEVANT DATE" means—

(a) in the case of goods exported out of India where a refund of tax paid is available in respect of goods themselves or, as the case may be, the inputs or input services used in such goods,—

(i) if the goods are exported by sea or air, the date on which the ship or the aircraft in which such

goods are loaded, leaves India; or (ii) if the goods are exported by land, the date on which such goods pass the frontier; or (iii) if the goods are exported by post, the date of despatch of goods by the Post Office concerned to a place outside India;

(b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is furnished;

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