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తెలంగాణ రాజపత్రము
THE TELANGANA GAZETTE
PART IV-B EXTRAORDINARY
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**TELANGANA ACTS, ORDINANCES AND
REGULATIONS Etc.**

The following is the authoritative text in English language of the Ordinance promulgated by the Governor on the 30th January, 2019 being published under article 348 (3) of the Constitution of India for general information:-

TELANGANA ORDINANCE No. 1 OF 2019

Promulgated by the Governor in the Seventieth Year of the Republic of India.

**AN ORDINANCE TO AMEND THE TELANGANA
GOODS AND SERVICES TAX ACT, 2017.**

Whereas, the Telangana Goods and Services Tax Act, 2017 (Act No.23 of 2017) was enacted providing for levy and collection of tax on *intra-State* supply of goods or services or both by the State Government;

And whereas, the Act provides for certain provisions for smooth transition of existing taxpayers to new goods and services tax regime. However, the new tax regime had faced certain difficulties. One of the major inconveniences caused to the taxpayers, especially small and medium

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enterprises, was the process of filing return and payment of tax under the Goods and Services Tax Laws. In order to enabling the tax payers, especially small and medium enterprises, it has been proposed to bring in a new return filing system envisaging quarterly filing of return and tax payment along with some modifications as a consequence thereof, by way of suitably amending the relevant provisions in the Telangana Goods and Services Tax Act, 2017;

And whereas, it has been decided to give effect to the above decision immediately;

And whereas, the Legislature of the State is not now in session and the Governor of Telangana is satisfied that circumstances exist which render it necessary for him to take immediate action;

Now, therefore, in exercise of the powers conferred by clause (1) of article 213 of the Constitution of India, the Governor hereby promulgates the following Ordinance:-

Short title and commencement.

1. (1) This Ordinance may be called the Telangana Goods and Services Tax (Amendment) Ordinance, 2019.

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

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

Amendment of section 2, Act No.23 of 2017.

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

(a) in clause (4),—

(i) with effect from the 1st day of July, 2017, the word “competent” shall be omitted and shall always be deemed to have been omitted;

(ii) for the words “the Appellate Authority and the Appellate Tribunal;”, the words “the Appellate Authority, the Appellate Tribunal and the Authority referred to in sub-section (2) of section 171;” shall be substituted;

(b) in clause (17), for sub-clause (h), the following sub-clause shall be substituted, namely:—

“(h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club; and”;

(c) clause (18) shall be omitted;

(d) in clause (35), for the word, brackets and letter “clause (c)”, the word, brackets and letter “clause (h)” shall be substituted;

(e) in clause (41), with effect from the 1st day of July, 2017, for the expression “the Information Technology Act, 2000;”, the expression “clause (f) of section 2 of the Information Technology Act, 2000;” shall be substituted and shall always be deemed to have been substituted;

(f) in clause (47), with effect from the 1st day of July, 2017, for the words “which may be exempt from tax”, the words “which may be wholly exempt from tax” shall be substituted and shall always be deemed to have been substituted;

(g) in clause (69), in sub-clause (f), after the expression “article 371”, the expression “and article 371J” shall be inserted;

(h) in clause (74), with effect from the 1st day of July, 2017, for the words “two or more individual supplies of taxable goods or services”, the words “two or more individual supplies of goods or services” shall be substituted and shall always be deemed to have been substituted;

(i) in clause (95), with effect from the 1st day of July, 2017, for the word “Commissioner”, the word “Government” shall be substituted and shall always be deemed to have been substituted;

(j) in clause (102), the following *Explanation* shall be inserted, namely:—

Explanation.—For the removal of doubts, it is hereby clarified that the expression “services” includes facilitating or arranging transactions in securities;’;

(k) in clause (114), with effect from the 1st day of July, 2017, after sub-clause (f), the following *Explanation* shall be inserted, and shall always be deemed to have been inserted, namely:-

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.”;

(l) in clause (119), with effect from the 1st day of July, 2017, for the words “transfer of property in goods”, the words “transfer of property in goods (whether as goods or in some other form)” shall be substituted and shall always be deemed to have been substituted.

**Amend-
ment of
section 3.**

3. In section 3 of the principal Act, with effect from the 1st day of July, 2017, the opening portion, before the proviso, shall be substituted and shall always be deemed to have been substituted with the following:-

“The Government shall, by notification, appoint the following classes of officers for the purposes of this Act, namely:-

- (a) Commissioner of State Tax,
- (b) Special Commissioners of State Tax,
- (c) Additional Commissioners (Grade-I) of State Tax,
- (d) Additional Commissioners of State Tax,

- (e) Joint Commissioners of State Tax,
- (f) Deputy Commissioners of State Tax,
- (g) Assistant Commissioners of State Tax,
- (h) State Tax Officers, and
- (i) Any other class of Officers as it may deem fit.”.

4. In section 4 of the principal Act, in sub-section (2), with effect from the 1st day of July, 2017, for the words “an Additional Commissioner”, the words “an Additional Commissioner (*Grade-I*)” shall be substituted and shall always be deemed to have been substituted. **Amend-
ment of
section 4.**

5. In section 7 of the principal Act, with effect from the 1st day of July, 2017,- **Amend-
ment of
section 7.**

(a) in sub- section (1), -

(i) in clause (*b*), after the words “or furtherance of business;”, the word “and” shall be inserted and shall always be deemed to have been inserted;

(ii) in clause (*c*), after the words “a consideration”, the word “and” shall be omitted and shall always be deemed to have been omitted;

(iii) clause (*d*), shall be omitted and shall always be deemed to have been omitted;

(b) after sub-section (1), the following sub-section shall be inserted and shall always be deemed to have been inserted, namely:—

“(1A) Where certain activities or transactions, constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.”;

(c) in sub-section (3), for the words, brackets and figures “sub-sections (1) and (2)”, the words, brackets, figures and letter “sub-sections (1), (1A) and (2)” shall be substituted and shall always be deemed to have been substituted;

**Amend-
ment of
section 9.**

6. In section 9 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.”.

**Amend-
ment of
section 10.**

7. In section 10 of the principal Act,—

(a) in sub-section (1) —

(i) for the words “in lieu of the tax payable by him, an amount calculated at such rate,” the words, brackets and figures “in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate” shall be substituted;

(ii) in the proviso, for the words “one crore rupees,” the words “one crore and fifty lakh rupees,” shall be substituted;

(iii) after the proviso, the following proviso shall be inserted, namely:—

“Provided further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (*other than those referred to in clause (b) of paragraph 6 of Schedule II*), of value not exceeding ten percent of turnover in a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.”;

(b) in sub-section (2) —

(i) for clause (a), the following clause shall be substituted, namely:—

“(a) save as provided in sub-section (1), he is not engaged in the supply of services;”;

(ii) in clause (e), with effect from the 1st day of July, 2017, after the word “notified”, the words “by the Government” shall be inserted and shall always be deemed to have been inserted.

8. In section 11 of the principal Act, for sub-section (4), with effect from the 1st day of July, 2017, the following sub-section shall be substituted and shall always be deemed to have been substituted, namely:- **Amend-ment of section 11.**

“(4) Any notification or order issued by the Central Government, on the recommendations of the Council, under sub-section (1) or under sub-section (2) of section 11 of the Central Goods and Services Tax Act, 2017, shall be deemed to be a notification or order issued under this Act.

Central Act No. 12 of 2017.

9. In section 13 of the principal Act, in sub-section (2), the words, brackets and figures “sub-section (2) of” occurring at both the places, shall be omitted. **Amend-ment of section 13.**

10. In section 16 of the principal Act, in sub-section (2),— **Amend-ment of section 16.**

(a) in clause (b), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

“*Explanation.*—For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services—

(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

(ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person.”;

(b) in clause (c), for the word and figure “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted.

**Amend-
ment of
section 17.**

11. In section 17 of the principal Act,—

(a) in sub-section (3), the following *Explanation* shall be inserted, namely:—

“*Explanation.*—For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.”;

(b) in sub-section (5), for clauses (a) and (b), the following clauses shall be substituted, namely:—

“(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—

- (A) further supply of such motor vehicles; or
- (B) transportation of passengers; or
- (C) imparting training on driving such motor vehicles;

(aa) vessels and aircraft except when they are used—

(i) for making the following taxable supplies, namely:—

- (A) further supply of such vessels or aircraft; or
- (B) transportation of passengers; or
- (C) imparting training on navigating such vessels; or
- (D) imparting training on flying such aircraft;

(ii) for transportation of goods;

(ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):

Provided that the input tax credit in respect of such services shall be available—

(i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;

(ii) where received by a taxable person engaged—

(I) in the manufacture of such motor vehicles, vessels or aircraft;

or

(II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;

(b) the following supply of goods or services or both—

(i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of moto 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 to its employees under any law for the time being in force.”.

**Amend-
ment of
section 20.**

12. In section 20 of the principal Act, in the Explanation, in clause (c), for the word and figures “under entry 84,” the words, figures and letter “under entries 84 and 92A” shall be substituted.

**Amend-
ment of
section 22.**

13. In section 22 of the principal Act,—

(a) in sub-section (1),

(i) the paragraph after the existing proviso shall be omitted and shall always be deemed to have been omitted, with effect from the 1st day of July, 2017;

(ii) after the existing proviso, the following proviso shall be inserted, namely:—

“Provided further that the Government may, at the request of a special category State and on the recommendations of the Council, enhance the aggregate turnover referred to in the first proviso from ten lakh rupees to such amount, not exceeding twenty lakh rupees and subject to such conditions and limitations, as may be so notified;”;

(b) in the Explanation, in clause (iii), the following shall be added at the end, namely:-

“except the States of Jammu and Kashmir, Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand”.

**Amend-
ment of
section 24.**

14. In section 24 of the principal Act,-

(a) in the opening paragraph, with effect from the 1st day of July, 2017, the words “undertaking taxable supplies” shall be omitted and shall always be deemed to have been omitted;

(b) to clause (ii), the words “making taxable supply” shall be added at the end and shall always be deemed to have been added with effect from the 1st day of July, 2017;

(c) to clause (v), the words “making taxable supply” shall be added at the end and shall always be deemed to have been added with effect from the 1st day of July, 2017;

(d) in clause (vii), with effect from the 1st day of July, 2017, for the words “persons who supply goods or services”, the words “persons who make taxable supply of goods or services” shall be substituted and shall always be deemed to have been substituted;

(e) in clause (x), after the words “commerce operator”, the words and figures “who is required to collect tax at source under section 52” shall be inserted.

15. In section 25 of the principal Act,—

**Amend-
ment of
section 25.**

(a) in sub-section (1), after the first proviso and before the *Explanation*, the following proviso shall be inserted, namely:—

“Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the same State or Union territory.”;

**Central
Act No. 28
of 2005.**

(b) in sub-section (2), for the proviso, the following proviso shall be substituted, namely:—

“Provided that a person having multiple places of business in a State or Union territory may be granted a separate registration for each such place of business, subject to such conditions as may be prescribed.”.

16. In section 29 of the principal Act,—

**Amend-
ment of
section 29.**

(a) in the marginal heading, after the word “Cancellation”, the words “or suspension” shall be inserted;

(b) in sub-section (1), after clause (c), the following proviso shall be inserted, namely:—

“Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.”;

(c) in sub-section (2), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.”.

**Amend-
ment of
section 31.**

17. In section 31 of the principal Act, in sub-section 3), in clause (g), with effect from the 1st day of July, 2017, the words “who is not registered under the Act” shall be omitted and shall always be deemed to have been omitted.

**Amend-
ment of
section 34.**

18. In section 34 of the principal Act,—

(a) in sub-section (1),—

(i) for the words “Where a tax invoice has”, the words “Where one or more tax invoices have” shall be substituted;

(ii) for the words “a credit note”, the words “one or more credit notes for supplies made in a financial year” shall be substituted;

(b) in sub-section (3),—

(i) for the words “Where a tax invoice has”, the words “Where one or more tax invoices have” shall be substituted;

(ii) for the words “a debit note”, the words “one or more debit notes for supplies made in a financial year” shall be substituted.

19. In section 35 of the principal Act,—

**Amend-
ment of
section 35.**

(a) in sub-section (2), with effect from the 1st day of July, 2017, for the words “and other relevant details of such goods as may be prescribed”, the words “and other relevant details of the goods in such manner as may be prescribed” shall be substituted and shall always be deemed to have been substituted;

(b) in sub-section (5), the following proviso shall be inserted, namely:—

“Provided that nothing contained in this sub-section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.”.

20. In section 36 of the principal Act, with effect from the 1st day of July, 2017, for the words “date of filing of annual return”, the words “date of furnishing of annual return” shall be substituted and shall always be deemed to have been substituted.

**Amend-
ment of
section 36.**

21. In section 37 of principal Act, in sub-section (1), with effect from the 1st day of July, 2017, for the expression “section 10, section 51”, the expression “section 10 or section 51” shall be substituted and shall always be deemed to have been substituted.

**Amend-
ment of
section 37.**

22. In section 39 of the principal Act,—

**Amend-
ment of
section 39.**

(a) in sub-section (1),—

(i) for the words “in such form and manner”, the words “in such form, manner and within such time” shall be substituted;

(ii) the words “on or before the twentieth day of the month succeeding such calendar month or part thereof” shall be omitted;

(iii) the following proviso shall be inserted, namely:—

“Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall furnish return for every quarter or part thereof, subject to such conditions and safeguards as may be specified therein.”;

(b) in sub-section (2), with effect from the 1st day of July, 2017, for the words “a return, electronically, of inward supplies of goods or services or both”, the words “a return, electronically, of turnover in the State, inward supplies of goods or services or both” shall be substituted and shall always be deemed to have been substituted;

(c) in sub-section (7), the following proviso shall be inserted, namely:—

“Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall pay to the Government the tax due or part thereof as per the return on or before the last date on which he is required to furnish such return, subject to such conditions and safeguards as may be specified therein.”;

(d) in sub-section (9),—

(i) with effect from the 1st day of July, 2017, after the words “for the month or quarter”, the words “as the case may be,” shall be omitted and shall always be deemed to have been omitted;

(ii) for the words “in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed”, the words “in such form and manner as may be prescribed” shall be substituted;

(iii) in the proviso, for the words “the end of the financial year”, the words “the end of the financial year to which such details pertain” shall be substituted.

23. After section 43 of the principal Act, the following section shall be inserted, namely:—

Insertion
of section
43A.

**“Procedure
for
furnishing
return and
availing
input tax
credit.”**

43A. (1) Notwithstanding anything contained in sub-section (2) of section 16, section 37 or section 38, every registered person shall in the returns furnished under sub-section (1) of section 39 verify, validate, modify or delete the details of supplies furnished by the suppliers.

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

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

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

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

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

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

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

(i) within six months of taking registration;

(ii) who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount shall be such as may be prescribed.”.

**Amend-
ment of
section 48.**

24. In section 48 of the principal Act, in sub-section (2),-

(i) with effect from the 1st day of July, 2017, after the word and figures “section 44”, the words and figures “or section 45” shall be inserted and shall always be deemed to have been inserted;

(ii) after the word and figures “section 45”, the words “and to perform such other functions” shall be inserted.

**Amend-
ment of
section 49.**

25. In section 49 of the principal Act,—

(a) in sub-section (1), with effect from the 1st day of July, 2017, for the words “taxable person”, the word “person” shall be substituted and shall always be deemed to have been substituted;

(b) in sub-section (2), for the word and figures “section 41”, the words and figures and letter “section 41 or section 43A” shall be substituted;

(c) in sub-section (4), with effect from the 1st day of July, 2017, for the expression “the Integrated Goods and Services Tax Act”, the expression “the Integrated Goods

and Services Tax Act, 2017” shall be substituted and shall always be deemed to have been substituted;

(d) in sub-section (5),—

(i) in clause (c), the following proviso shall be inserted, namely:—

“Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of State tax is not available for payment of integrated tax;”;

(ii) in clause (f), the following proviso shall be inserted, namely:—

“Provided that the input tax credit on account of Union territory tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of State tax is not available for payment of integrated tax;”.

26. After section 49 of the principal Act, the following sections shall be inserted, namely:—

Insertion of sections 49A and 49B.

“Utilisation of input tax credit subject to certain conditions.

49A. 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.

Order of utilisation of input tax credit.

49B. 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.”.

- Amend-
ment of
section 50.** 27. In section 50 of the principal Act, in sub-section (1), with effect from the 1st day of July, 2017, after the words “the rules made thereunder,”, the word “but” shall be inserted and shall always be deemed to have been inserted.
- Amend-
ment of
section 51.** 28. In section 51 of the principal Act, in the Explanation to sub-section (1), with effect from the 1st day of July, 2017, for the word “tax”, the words “Central Tax, State Tax, Integrated Tax and Cess” shall be substituted and shall always be deemed to have been substituted.
- Amend-
ment of
section 52.** 29. In section 52 of the principal Act,—
(a) in sub-section (1), with effect from the 1st day of July, 2017, for the words “as may be notified”, the words “as may be notified by the Government” shall be substituted and shall always be deemed to have been substituted;
(b) in sub-section (9), for the word and figures “section 37”, the words and figures “section 37 or section 39” shall be substituted.
- Amend-
ment of
section 54.** 30. In section 54 of the principal Act,—
(a) in sub-section (1), with effect from the 1st day of July, 2017, for the words “tax and interest paid”, the words “tax and interest, if any paid” shall be substituted and shall always be deemed to have been substituted;
(b) in sub-section (3),-
(i) in the first proviso to clause (ii), with effect from the 1st day of July, 2017, for the words “as may be notified”, the words “as may be notified by the Government” shall be substituted and shall always be deemed to have been substituted;
(ii) in the third proviso, with effect from the 1st day of July, 2017, the words “avails of drawback or” shall be omitted and shall be deemed to have been omitted;
(c) in sub-section (6), with effect from the 1st day of July, 2017, for the words “refund on account of export of

goods or services”, the words “refund on account of zero rated supply of goods or services” shall be substituted and shall always be deemed to have been substituted;

(d) in sub-section (8),-

(i) for clause (a), with effect from the 1st day of July, 2017, the following clause shall be substituted and shall always be deemed to have been substituted, namely,-

“(a) refund of tax paid on zero rated supplies of goods or services or both or on inputs or input services used in making such zero rated supplies;”;

(ii) for the words “zero-rated supplies”, the words “export” and “exports” shall respectively be substituted;

(e) in the *Explanation*,-

(i) in clause (1), with effect from the 1st day of July, 2017, for the words “‘refund’ includes tax on inputs or input services used in the goods or services or both which are exported out of India,”, the words “‘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;” shall be substituted and shall always be deemed to have been substituted;

(ii) in clause (2),—

(a) in sub-clause (a), with effect from the 1st day of July, 2017, after the words “tax paid is available in respect of”, the words “goods themselves or as the case may be, the” shall be inserted and shall always be deemed to have been inserted;

(b) in sub-clause (b), with effect from the 1st day of July, 2017, for the words “is filed”, the words “is furnished” shall be substituted and shall always be deemed to have been substituted;

(c) in sub-clause (c), with effect from the 1st day of July, 2017, after the words “refund of tax paid is available in

respect of”, the words “services themselves or as the case may be, the” shall be inserted and shall always be deemed to have been inserted;

(d) in sub-clause (c), in item (f), after the words “foreign exchange”, the words “or in Indian rupees wherever permitted by the Reserve Bank of India” shall be inserted;

(e) for sub-clause (e), the following sub-clause shall be substituted, namely:—

“(e) in the case of refund of unutilised input tax credit under clause (ii) of the first proviso to sub-section (3), the due date for furnishing of return under section 39 for the period in which such claim for refund arises;”.

**Amend-
ment of
section 56.**

31. In section 56 of the principal Act, in the proviso, with effect from the 1st day of July, 2017, for the words “as may be notified”, the words “as may be notified by the Government” shall be substituted and shall always be deemed to have been substituted.

**Amend-
ment of
section 57.**

32. In section 57 of the principal Act, with effect from the 1st day of July, 2017, -

(i) in clause (a), the words “of tax” shall be omitted and shall always be deemed to have been omitted;

(ii) the clause (a), after clause (b), shall be re-named and shall always be deemed to have been re-named as ‘(c)’.

**Amend-
ment of
section 60.**

33. In section 60 of the principal Act, in sub-section (f), with effect from the 1st day of July, 2017, for the words “supply of goods or services both”, the words “supply of goods or services or both” shall be substituted and shall always be deemed to have been substituted.

**Amend-
ment of
section 67.**

34. In section 67 of the principal Act, in sub-section (3), with effect from the 1st day of July, 2017, for the words “relied on”, the words “relied upon” shall be substituted and shall always be deemed to have been substituted.

35. In section 73 of the principal Act, in sub-section (1), with effect from the 1st day of July, 2017, for the words “filing of annual return”, the words “furnishing of annual return” shall be substituted and shall always be deemed to have been substituted. **Amendment of section 73.**

36. In section 74 of the principal Act, with effect from the 1st day of July, 2017,- **Amendment of section 74.**

(a) in sub-section (1), after the words “requiring him to show cause”, the words “as to” shall be inserted and shall always be deemed to have been inserted;

(b) in sub-section (10), for the word “filing”, the word “furnishing” shall be substituted and shall always be deemed to have been substituted.

37. In section 79 of the principal Act, after sub-section (4), the following Explanation shall be inserted, namely:— **Amendment of section 79.**

‘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.’

38. In section 95 of the principal Act, with effect from the 1st day of July, 2017, clauses (b), (c), (d) and (e) shall be substituted and shall always be deemed to have been substituted with the following, namely,- **Amendment of section 95.**

“(b) “Appellate Authority” means the Appellate Authority for Advance Ruling constituted under section 99;

(c) “applicant” means any person registered or desirous of obtaining registration under this Act;

(d) “application” means an application made to the Authority under sub-section (1) of section 97;

(e) “Authority” means the Authority for Advance Ruling constituted under section 96.”.

- Amendment of section 107.** 39. In section 107 of the principal Act, in sub-section (6), in clause (b), after the words “arising from the said order,”, the words “subject to a maximum of twenty-five crore rupees,” shall be inserted.
- Amendment of section 109.** 40. In section 109 of the principal Act, with effect from the 1st day of July, 2017,-
- (a) in sub-section (1), for the words “The Goods and Services Tax”, the words “Subject to the provisions of this Chapter, the Goods and Services Tax” shall be substituted and shall always be deemed to have been substituted;
- (b) in sub-section (2), for the words “governed as per”, the words “in accordance with the provisions of” shall be substituted and shall always be deemed to have been substituted.
- Amendment of section 110.** 41. In the principal Act, with effect from the 1st day of July, 2017, section 110 shall be substituted and shall always be deemed to have been substituted with the following, namely:-
- “The qualifications, appointment, salary and allowances, terms of office, resignation and removal of the President and Members of the State Bench and Area Benches shall be in accordance with the provisions of section 110 of the Central Goods and Service Tax Act, 2017.”.
- Central Act No. 12 of 2017.**
- Amendment of section 112.** 42. In section 112 of the principal Act, in sub-section (8), in clause (b), after the words “arising from the said order,” the words “subject to a maximum of fifty crore rupees,” shall be inserted.
- Amendment of section 122.** 43. In section 122 of the principal Act, with effect from the 1st day of July, 2017,-
- (a) in sub-section (1),-
- (i) in clause (v), for the words “in terms of”, the words “in accordance with the provisions of” shall be substituted and shall always be deemed to have been substituted;

(ii) in clause (vi), for the words “in terms of”, the words “in accordance with the provisions of” shall be substituted and shall always be deemed to have been substituted;

(b) for sub-section (2), the following sub-section shall be substituted and shall always be deemed to have been substituted, namely:-

“(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 utilized,-

(a) for any reason, other than the reason of fraud or any wilful mis-statement or suppression of facts to evade tax, shall be liable to a penalty of ten thousand rupees or ten percent of the tax due from such person, whichever is higher;

(b) for reason of fraud or any wilful mis-statement 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.”.

44. In section 129 of the principal Act, in sub-section (6), for the words “seven days”, the words “fourteen days” shall be substituted. **Amend-
ment of
section 129.**

45. In section 132 of the principal Act, with effect from the 1st day of July, 2017,- **Amend-
ment of
section 132.**

(a) in sub-section (1), in clause (a), after the words, “in violation of the provisions of this Act”, the words “or the rules made thereunder” shall be inserted and shall always be deemed to have been inserted;

(b) in sub-section (2), for the word, “if”, the word “where” shall be substituted and shall always be deemed to have been substituted.

46. In section 133 of the principal Act, in sub-section (1), with effect from the 1st day of July, 2017, for the word **Amend-
ment of
section 133.**

“if”, the word “where” shall be substituted and shall always be deemed to have been substituted.

**Amend-
ment of
section 139.**

47. In section 139 of the principal Act, in sub-section (1), with effect from the 1st day of July, 2017, for the words “prescribed and, unless replaced”, the words “prescribed, which unless replaced” shall be substituted and shall always be deemed to have been substituted.

**Amend-
ment of
section 140.**

48. In section 140 of the principal Act, with effect from the 1st day of July, 2017,—

(a) in sub-section (3), for the expression “[or tax free goods] under the existing law but which are liable to tax under this Act [or where the person was entitled to the credit of input tax at the time of sale of goods]”, the expression “or tax free goods, by whatever name called or goods which have suffered tax at the first point of their sale in the State and the subsequent sales of which are not subject to tax in the State under the existing law but which are liable to tax under this Act or where the person was entitled to the credit of input tax at the time of sale of goods, if any,” shall be substituted and shall always be deemed to have been substituted;

(b) in sub-section (4), in clause (b), for the expression “exempted goods or [tax free goods]”, the expression “exempted goods or tax free goods by whatever name called” shall be substituted and shall always be deemed to have been substituted;

**Amend-
ment of
section 142.**

49. In section 142 of the principal Act, with effect from the 1st day of July, 2017,-

(a) in sub-section (2), in clause (a), for the words “may issue to the recipient”, the words “shall issue to the recipient” shall be substituted and shall always be deemed to have been substituted;

(b) after the existing sub-section (4), the following sub-section shall be inserted and shall always be deemed to have been inserted, namely:-

“(5) Notwithstanding anything to the contrary contained in this Act, any amount of input tax credit reversed prior to the appointed day shall not be admissible as input tax credit under this Act.”;

(c) after so inserting the sub-section (5) above, the existing sub-sections (5) to (12) shall respectively be re-numbered and shall always respectively be re-numbered as sub-sections (6) to (13);

(d) the following sub-section (14) shall be inserted and shall always be deemed to have been inserted, namely:-

“(14) Where any goods or capital goods belonging to the principal are lying at the premises of the agent on the appointed day, the agent shall be entitled to take credit of the tax paid on such goods or capital goods subject to fulfilment of the following conditions,-

(i) the agent is a registered taxable person under this Act;

(ii) both the principal and the agent declare the details of stock of goods or capital goods lying with such agent on the day immediately preceding the appointed day in such form and manner and within such time as may be prescribed in this behalf;

(iii) the invoices for such goods or capital goods had been issued not earlier than twelve months immediately preceding the appointed day; and

(iv) the principal has either reversed or not availed of the input tax credit in respect of such,-

(a) goods; or

(b) capital goods or, having availed of such credit, has reversed the said credit, to the extent availed of by him.”;

(e) the Explanation thereunder shall be omitted and shall always be deemed to have been omitted.

- Amendment of section 143.** 50. In section 143 of the principal Act, in sub-section (1), in clause (b), after the proviso, the following proviso shall be inserted, namely:—
- “Provided further that the period of one year and three years may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding one year and two years respectively.”.
- Amendment of section 148.** 51. In section 148 of the principal Act, with effect from the 1st day of July, 2017, for the words “taxable persons”, the words “registered persons” shall be substituted and shall always be deemed to have been substituted.
- Amendment of section 152.** 52. In section 152 of the principal Act, in sub-section (1), with effect from the 1st day of July, 2017, for the expression “for the purposes of section 151”, the expression “for the purposes of section 150 or section 151” shall be substituted and shall always be deemed to have been substituted.
- Amendment of section 164.** 53. In section 164 of the principal Act, in sub-section (4), with effect from the 1st day of July, 2017, for the expression “Any rules made under sub-section (1)”, the expression “Any rules made under sub-section (1) or sub-section (2)” shall be substituted and shall always be deemed to have been substituted.
- Amendment of section 165.** 54. In section 165 of the principal Act, with effect from the 1st day of July, 2017, for the words “The commissioner”, the words “The Government” shall be substituted and shall always be deemed to have been substituted.
- Amendment of section 166.** 55. In section 166 of the principal Act, with effect from the 1st day of July, 2017, for the words “every regulation made by the Commissioner”, the words “every regulation made by the Government” shall be substituted and shall always be deemed to have been substituted.
- Amendment of section 174.** 56. In section 174 of the principal Act, with effect from the 1st day of July, 2017,-

(a) in sub-section (1), in clause (i), for the word "Constitution," the words "Constitution of India;" shall be substituted and shall always be deemed to have been substituted;

(b) in sub-section (2), in clause (e), the word 'or' shall be added at the end and shall always be deemed to have been added.

57. In Schedule I of the principal Act, in paragraph 4, for the words "taxable person", the word "person" shall be substituted. **Amend-
ment of
Schedule I.**

58. In Schedule II of the principal Act, in the heading, with effect from the 1st day of July, 2017, after the word "ACTIVITIES", the words "OR TRANSACTIONS" shall be inserted and shall be deemed to have been inserted. **Amend-
ment of
Schedule II.**

59. In Schedule III of the principal Act, —

(i) in paragraph 3, in sub-para (b), with effect from the 1st day of July, 2017, for the word "Constitution", the words "Constitution of India" shall be substituted and shall always be deemed to have been substituted; **Amend-
ment of
Schedule III.**

(ii) after paragraph 6, the following paragraphs shall be inserted, namely:—

"7. Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.

8. (a) Supply of warehoused goods to any person before clearance for home consumption;

(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.";

(iii) The *Explanations* shall be numbered as *Explanation 1* and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely:—

“Explanation 2.—For the purposes of this paragraph, the expression “warehoused goods” shall have the same meaning as assigned to it in the Customs Act, 1962.”.

E.S.L. NARASIMHAN,
Governor of Telangana.

V. NIRANJAN RAO,
Secretary to Government,
Legal Affairs, Legislative Affairs & Justice,
Law Department.

