



తెలంగాణ రాజపత్రము
THE TELANGANA GAZETTE
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No. 6] HYDERABAD, TUESDAY, NOVEMBER 11, 2025.

**TELANGANA ACTS, ORDINANCES AND
REGULATIONS Etc.**

The following is the authoritative text in English Language of the Ordinance promulgated by the Governor on the 8th November, 2025 being published under article 348 (3) of the Constitution of India for general information:-

TELANGANA ORDINANCE No. 6 OF 2025

Promulgated by the Governor in the Seventy-Sixth Year of the Republic of India.

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

Whereas, the Telangana Goods and Services Tax Act, 2017 (Telangana 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.

[1]

Whereas, the Goods and Services Tax Council in its meetings recommended amendments to the provisions of the Central Goods and Services Tax Act, 2017 (Central Act No.12 of 2017). Accordingly, the Central Goods and Services Tax Act, 2017 has been amended. The Goods and Services Tax Council Secretariat requested the States to similarly amend their respective Goods and Services Tax Acts.

Whereas, in the 56th GST Council meeting held on the 3rd September, 2025, all the States have agreed to amend their respective Goods and Services Tax Acts before 30th September, 2025 and in the event of the Assembly not being in session, to amend the State Goods and Services Tax Acts, through promulgation of an Ordinance.

Accordingly, it has been decided to make suitable amendment to the Telangana Goods and Services Tax Act, 2017 (Act No.23 of 2017).

Whereas, the Legislature of State of Telangana 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
commence-
ment.**

1. (1) This Ordinance may be called the Telangana Goods and Services Tax (Amendment) Ordinance, 2025.

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

(3) Save as otherwise provided in this Ordinance, the provisions of section 38 of this Ordinance shall be deemed to have come into force with effect from 1st day of October, 2024.

(4) Save as otherwise provided in this Ordinance, the provisions of sections 3 to 5, sub-section (1), (2), (3) of section 7, sub-section (1) of section 9, sections 12 to 15, sub-section (2) of section 17, sections 18 to 33, sub-section (1) & (3) of section 34, sub-section (1), (2), (3), (4) of section 35, section 39, sub-section (2) of section 42 of this Ordinance shall be deemed to have come into force with effect from 1st day of November, 2024.

(5) Save as otherwise provided in this Ordinance, sub-section (1) of section 2 and section 10 of this Ordinance shall come into force with effect from 1st day of April, 2025:

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.

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

**Amend-
ment of
Section 2.**

(1) for clause (61), the following clause shall be substituted, namely:-

“(61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9 of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20;”.

**Central
Act No.
13 of
2017.**

(2) in clause (69),—

(a) in sub-clause (c), after the words “management of a municipal”, the word “fund” shall be inserted;

(b) after sub-clause (c), the following Explanation shall be inserted, namely:—

“Explanation:- For the purposes of this sub-clause,—

(i) “local fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(ii) “municipal fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;”.

(3) after clause (116), the following clause shall be inserted, namely:—

“(116A) “unique identification marking” means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable;”.

**Amend-
ment of
Section 9.**

3. In section 9 of the principal Act, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption” shall be inserted.

4. In section 10 of the principal Act, in sub-section (5), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

**Amend-
ment of
Section
10.**

5. After section 11 of the principal Act, the following section shall be inserted, namely:—

**Insertion
of new
Section
11A.**

"Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.

"11A. Notwithstanding anything contained in this Act, if the Government is satisfied that,—

(a) a practice was, or is, generally prevalent regarding levy of state tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to,—

(i) state tax, in cases where according to the said practice, state tax was not, or is not being, levied, or

(ii) a higher amount of state tax than what was, or is being, levied, in accordance with the said practice, the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the state tax payable on such supplies, or, as the case may be, the state tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the state tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice."

6. In section 12 of the principal Act, sub-section (4) shall be omitted.

**Amend-
ment of
Section
12.**

Amendment of Section 13.

7. In section 13 of the principal Act, in sub-section (3),—

(1) in clause (b), for the words “by the supplier”, the words “by the supplier, in cases where invoice is required to be issued by the supplier; or” shall be substituted.

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

“(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:”.

(3) in the first proviso, after the words, brackets and letter “or clause (b)”, the words, brackets and letter “or clause (c)” shall be inserted.

(4) sub-section (4) shall be omitted.

Amendment of Section 16.

8. In section 16 of the principal Act, with effect from the 1st day of July, 2017, after sub-section (4), the following sub-sections shall be inserted, namely:—

“(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect

of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

(i) filed upto thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration, whichever is later.”.

9. In section 17 of the principal Act, in sub-section (5),-

**Amend-
ment of
Section
17.**

(1) in clause (d),-

(i) for the words “plant or machinery”, the words “plant and machinery” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017.

(ii) the Explanation shall be numbered as Explanation 1 thereof, and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely:—

“Explanation 2.— For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to plant and machinery.”.

(2) in clause (i), for the words and figures “sections 74, 129 and 130”, the words and figures “section 74 in respect of any period upto Financial Year 2023-24” shall be substituted.

Substitution of Section 20. 10. For section 20 of the principal Act, the following shall be substituted, namely:-

Central Act No.13 of 2017.

“20. (1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9 of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.

Central Act No.,13 of 2017.

(2) The Input Service Distributor shall distribute the credit of state tax or integrated tax charged on invoices received by him, including the credit of state tax or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.

(3) The credit of state tax shall be distributed as state tax or integrated tax and integrated tax as integrated tax or state tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.”.

Amendment of Section 21.

11. In section 21 of the principal Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

Amendment of Section 30.

12. In section 30 of the principal Act, in sub-section (2), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed."

13. In section 31 of the principal Act, –

**Amend-
ment of
Section
31.**

(1) in sub-section (3), in clause (f), after the words and figure "of section 9 shall", the words "within the period as may be prescribed," shall be inserted.

(2) after clause (g), the following Explanation shall be inserted, namely:–

"Explanation.– For the purposes of clause (f), the expression "supplier who is not registered" shall include the supplier who is registered solely for the purpose of deduction of tax under section 51."

14. In section 34 of the principal Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:–

**Amend-
ment of
Section
34.**

"Provided that no reduction in output tax liability of the supplier shall be permitted, if the,–

(i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or

(ii) incidence of tax on such supply has been passed on to any other person, in other cases."

15. In section 35 of the principal Act, in sub-section (6), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

**Amend-
ment of
Section
35.**

16. In section 38 of the principal Act, –

**Amend-
ment of
Section
38.**

(1) in sub-section (1), for the words "an auto-generated statement", the words "a statement" shall be substituted;

(2) in sub-section (2),–

(a) for the words "auto-generated statement under", the words "statement referred in" shall be substituted;

(b) in item (i), the word "and" shall be omitted;

(c) in item (ii), after the words and expression "by the recipient,", the word "including" shall be inserted;

(d) after item (ii), the following item shall be inserted, namely:—

"(iii) such other details as may be prescribed."

**Amend-
ment of
Section
39.**

17. In section 39 of the principal Act, —

(1) in sub-section (1), for the words "and within such time", the words "within such time, and subject to such conditions and restrictions" shall be substituted.

(2) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month."

**Amend-
ment of
Section
49.**

18. In section 49 of the principal Act, in sub-section (8), in clause (c), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

**Amend-
ment of
Section
50.**

19. In section 50 of the principal Act, in sub-section (1), in the proviso, after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

20. In section 51 of the principal Act, in sub-section (7), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Amendment of Section 51.

21. In section 54 of the principal Act,—

(1) in sub-section (3), the second proviso shall be omitted.

Amendment of Section 54.

(2) after sub-section (14) and before the Explanation, the following sub-section shall be inserted, namely:—

"(15) Notwithstanding anything contained in this section, no refund of unutilized input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty."

22. In section 61 of the principal Act, in sub-section (3), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Amendment of Section 61.

23. In section 62 of the principal Act, in sub-section (1), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Amendment of Section 62.

24. In section 63 of the principal Act, after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Amendment of Section 63.

25. In section 64 of the principal Act, in sub-section (2), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Amendment of Section 64.

26. In section 65 of the principal Act, in sub-section (7), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Amendment of Section 65.

27. In section 66 the principal Act, in sub-section (6), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

Amendment of Section 66.

Amendment of Section 70.

28. In section 70 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required.”.

Amendment of Section 73.

29. In section 73 of the principal Act,—

(1) in the marginal heading, after the words “Determination of tax”, the words and figures “pertaining to the period upto Financial Year 2023-24,” shall be inserted.

(2) after sub-section (11), the following sub-section shall be inserted, namely:—

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”.

Amendment of Section 74.

30. In section 74 of the principal Act,—

(1) in the marginal heading, after the words “Determination of tax”, the words and figures “pertaining to the period upto Financial Year 2023-24,” shall be inserted.

(2) after sub-section (11) and before *Explanation 1*, the following sub-section shall be inserted, namely:—

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”.

(3) the *Explanation 2* shall be omitted.

Insertion of new Section 74A.

31. After section 74 of the principal Act, the following section shall be inserted, namely:—

"Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 Onwards.

74A. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

(2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1),

subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub-section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorized by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of State Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or

where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any willful misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.

(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

Explanation 1: For the purposes of this section,—

(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings

against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

Explanation 2: For the purposes of this Act, the expression "suppression" shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer."

32. In section 75 of the principal Act,—

**Amend-
ment of
Section
75.**

(1) in sub-section (1), after the word and figures "section 74", the words, brackets, figures and letter "or sub-sections (2) and (7) of section 74A" shall be inserted.

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

"(2A) Where any Appellate Authority or Appellate Tribunal or Court concludes that the penalty under clause (ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A."

(3) for sub-section (10), the following sub-section shall be substituted, namely:—

"(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A."

(4) in sub-section (11), after the word and figures "section 74", the words, brackets, figures and letter "or sub-section (7) of section 74A" shall be inserted.

(5) in sub-section (12), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

(6) in sub-section (13), after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

**Amend-
ment of
Section
104.**

33. In section 104 of the principal Act, in sub-section (1), in the Explanation, after the word and figures "section 74", the words, brackets, figures and letter "or sub-sections (2) and (7) of section 74A" shall be inserted.

**Amend-
ment of
Section
107.**

34. In section 107 of the principal Act,—

(1) in sub-section (6), in clause (b), for the word "twenty-five", the word "twenty" shall be substituted.

(2) in sub-section (6), for the proviso, the following proviso shall be substituted, namely:—

"Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty has been paid by the appellant."

(3) in sub-section (11), in the second proviso, after the words and figures "section 73 or section 74", the words, figures and letter "or section 74A" shall be inserted.

35. In section 112 of the principal Act,—

Amend-
ment of
Section
112.

(1) with effect from the 1st day of August, 2024, in sub-section (1), after the words “from the date on which the order sought to be appealed against is communicated to the person preferring the appeal”, the expression and words “; or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later.” shall be inserted.

(2) with effect from the 1st day of August, 2024, in sub-section (3), after the words “from the date on which the said order has been passed”, the expression and words “; or the date, as may be notified by the Government, on the recommendations of the Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later,” shall be inserted.

(3) in sub-section (6), after the words, brackets and figure “after the expiry of the period referred to in sub-section (1)”, the words, brackets and figure “or permit the filing of an application within three months after the expiry of the period referred to in sub-section (3)” shall be inserted.

(4) in sub-section (8), in clause (b),—

(a) for the words “twenty per cent.”, the words “ten per cent.” shall be substituted.

(b) for the words “fifty crore rupees”, the words “twenty crore rupees” shall be substituted.

(5) in sub-section (8), the following proviso shall be inserted, namely:—

“Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant.”.

**Amend-
ment of
Section
122.**

36. In section 122 of the principal Act, with effect from the 1st day of October, 2023, in sub-section (1B), for the words “Any electronic commerce operator who”, the words and figures “Any electronic commerce operator, who is liable to collect tax at source under section 52,” shall be substituted.

**Insertion
of new
Section
122A.**

37. After section 122 of the principal Act, the following section shall be inserted, namely:—

“Penalty for failure to register certain machines used in manufacture of goods as per special procedure.”

122A.(1) Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under

section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.

(2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where,—

(a) the penalty so imposed is paid; and

(b) the registration of such machine is made in accordance with the special procedure within three days of the receipt of communication of the order of penalty.”.

38. After section 122A of the principal Act, the following section shall be inserted, namely:—

**Insertion
of new
Section
122B.**

“Penalty for failure to comply with track and trace mechanism. “122B. Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.”.

39. In section 127 of the principal Act, after the words and figures “section 73 or section 74”, the words, figures and letter “or section 74A” shall be inserted.

**Amend-
ment of
Section
127.**

40. After section 148 of the principal Act, the following section shall be inserted, namely:—

**Insertion
of new
section
148A.**

“Track and Trace mechanism for certain goods. “148A.(1) The Government may, on the recommendations of the Council, by notification, specify,—

(a) the goods;

(b) persons or class of persons who are in possession or deal with such goods,

to which the provisions of this section shall apply.

(2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1),—

(a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and

(b) prescribe the unique identification marking for such goods, including the information to be recorded therein.

(3) The persons referred to in sub-section (1), shall,—

(a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;

(b) furnish such information and details within such time and maintain such records or documents, in such form and manner;

(c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;

(d) pay such amount in relation to the system referred to in sub-section (2), as may be prescribed.”.

**Amend-
ment of
Section
171.**

41. In section 171 of the principal Act,—

(1) in sub-section (2), the following proviso and *Explanation* shall be inserted, namely:—

“Provided that the Government may by notification, on the recommendations of the Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

Explanation: For the purposes of this sub-section, "request for examination" shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him."

(2) the *Explanation* shall be renumbered as Explanation 1 thereof, and after Explanation 1 as so renumbered, the following Explanation shall be inserted, namely: –

"Explanation 2: For the purposes of this section, the expression "Authority" shall include the "Appellate Tribunal".".

42. In Schedule III of the principal Act,-

**Amend-
ment of
Schedule
III.**

(1) in paragraph 8, after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from 1st day of July, 2017, namely:-

"(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area;"

(2) after paragraph 8 and before Explanation 1, the following paragraphs shall be inserted, namely:-

"9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the Central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the Central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.”.

(3) in Explanation 2, after the words “For the purposes of”, the words, brackets and letter “clause (a) of” shall be inserted, with effect from 1st day of July, 2017.

(4) after Explanation 2, the following Explanation shall be inserted, with effect from 1st day of July 2017, namely:—

“**Explanation 3:** For the purposes of clause (aa) of paragraph 8, the expressions “Special Economic Zone”, “Free Trade Warehousing Zone” and “Domestic Tariff Area” shall have the same meanings respectively as assigned to them in section 2 of the Special Economic Zones Act, 2005.”.

Central
Act No.28
of 2005.

No refund
of tax
collected.

43. No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had sections 8 and 42 been in force at all material times.

JISHNU DEV VARMA,
Governor of Telangana.

B. PAPI REDDY,
Secretary to Government,
Legal Affairs, Legislative Affairs & Justice,
Law Department.