

SIKKIM



GOVERNMENT

GAZETTE

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**GOVERNMENT OF SIKKIM
LAW & PARLIAMENTARY AFFAIRS DEPARTMENT
GANGTOK**

No. 11(656)L&PAD/07

Dated: 28.03.2023

NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received the assent of the Governor on 18th day of March, 2023 is hereby published for general information:-

**THE SIKKIM GOODS AND SERVICES (AMENDMENT) ACT, 2022
(ACT NO. 26 OF 2022)**

**AN
ACT**

to amend the Sikkim Goods and Services Tax Act, 2017.

Be it enacted by the Legislature of Sikkim in the Seventy- third Year of the Republic of India, as follows:-

- | | | |
|--------------------------------------|---|--|
| Short title, extent and commencement | 1 | (1) This Act may be called the Sikkim Goods and Services Tax (Amendment) Act, 2022.
(2) It extends to the whole of the State of Sikkim.
(3) Save as otherwise provided, the provisions of this Act shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint. |
| Amendment of section 2 | 2 | In section 2 of the Sikkim Goods and Services Tax Act, 2017 (hereinafter referred as the Principal Act), in clause (4), after the words "the Appellate Authority for Advance Ruling," the words "the National Appellate Authority for Advance Ruling," shall be inserted. |
| Amendment of section 7 | 3 | In the Principal Act, in section 7, in sub-section (1), after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017, namely:— |

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

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

Amendment of
section 10

4 In section 10 of the Principal Act,—

(a) in sub-section (1), after the second proviso, the following

Explanation shall be inserted, namely:—

“Explanation.—For the purposes of second proviso, the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount shall not be taken into account for determining the value of turn over in a State or Union Territory.”

(b) In sub-section (2), —

(i) In clause (d), the word “and” occurring at the end shall be omitted;

(ii) In clause (e), for the word “Council:”, the words “Council; and” shall be substituted;

(iii) After clause (e), the following new clause shall be inserted, namely:—

“(f) he is neither a casual taxable person nor a non-resident taxable person”;

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

“(2A) Notwithstanding anything to the contrary contained in this Act, but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, not eligible to opt to pay tax under sub-section (1) and sub-section (2), whose aggregate turnover in the preceding financial year did not exceed fifty lakh rupees, may opt to pay, in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate as may be prescribed, but not exceeding three percent of the turnover in State or turnover in Union territory if he is not—

(a) Engaged in making any supply of goods or services which are not leviable to tax under this Act;

(b) engaged in making any inter-State outward supplies of goods or services;

- (c) engaged in making any supply of goods or services through an electronic commerce operator who is required to collect tax at source under section 52;
- (d) a manufacturer of such goods or supplier of such services as may be notified by the Government on the recommendations of the Council; and
- (e) a casual taxable person or a non-resident taxable person:

Provided that where more than one registered person are having the same Permanent Account Number issued under the Income Tax Act, 1961, the registered person shall not be eligible to opt for the scheme under this sub-section unless all such registered persons opt to pay tax under this sub-section."

- (d) in sub-section (3), after the words, brackets and figure" under sub-section (1)" at both the places where they occur, the words, brackets, figure and letter "or sub-section (2A), as the case may be," shall be inserted;
- (e) in sub-section (4), after the words, brackets and figure "of sub-section (1)", the words, brackets, figure and letter "or, as the case may be, sub-section (2A)" shall be inserted;
- (f) in sub-section (5), after the words, brackets and figure" under sub-section (1)", the words, brackets, figure and letter "or sub-section (2A), as the case may be," shall be inserted;
- (g) after sub-section (5), the following Explanations shall be inserted, namely :—

'Explanation 1.—For the purposes of computing aggregate turnover of a person for determining his eligibility to pay tax under this section, the expression "aggregate turnover" shall include the value of supplies made by such person from the 1st day of April of a financial year up to the date when he becomes liable for registration under this Act, but shall not include the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

Explanation 2.—For the purposes of determining the tax payable by a person under this section, the expression "turnover in State or turnover in Union territory" shall not include the value of following supplies, namely:—

- (i) supplies from the first day of April of a financial year up to the date when such person becomes liable for registration under this Act; and
- (ii) exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.'

Amendment of
section 16

5 In section 16 of the Principal Act, 2017 —

(a) in sub-section (2),—

(i) After clause (a), the following clause shall be inserted, namely :—

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

(ii) 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.

(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 22

6 In section 22 of the Principal Act, in sub-section (1), after the second proviso, the following shall be inserted, namely:—

“Provided also that the Government may, on the recommendations of the Council, enhance the aggregate turnover from twenty lakh rupees to such amount not exceeding forty lakh rupees in case of supplier who is engaged exclusively in the supply of goods, subject to such conditions and limitations, as may be notified.

Explanation.—For the purposes of this sub-section, a person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.”

Amendment of
section 25

7 In section 25 of the Principal Act, after sub-section (6), the following sub-sections shall be inserted, namely:—

“(6A) Every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in such form and manner and within such time as may be prescribed:

Provided that if an Aadhaar number is not assigned to the registered person, such person shall be offered alternate and viable means of identification in such manner as Government may, on the recommendations of the Council, prescribe:

Provided further that in case of failure to undergo authentication or furnish proof of possession of Aadhaar number or furnish alternate and viable means of identification, registration allotted to such person shall be deemed to be invalid and the other provisions of this Act shall apply as if such person does not have a registration.

(6B) On and from the date of notification, every individual shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number, in such manner as the Government may, on the recommendations of the Council, specify in the said notification:

Provided that if an Aadhaar number is not assigned to an individual, such individual shall be offered alternate and viable means of identification in such manner as the Government may, on the recommendations of the Council, specify in the said notification.

(6C) On and from the date of notification, every person, other than an individual, shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number of the Karta, Managing Director, whole time Director, such number of partners, Members of Managing Committee of Association, Board of Trustees, authorised representative, authorised signatory and such other class of persons, in such manner, as the Government may, on the recommendations of the Council, specify in the said notification:

Provided that where such person or class of persons have not been assigned the Aadhaar Number, such person or class of persons shall be offered alternate and viable means of identification in such manner as the Government may, on the recommendations of the Council, specify in the said notification.

(6D) The provisions of sub-section (6A) or sub-section (6B) or sub-section (6C) shall not apply to such person or class of persons or any State or Union territory or part thereof, as the Government may, on the recommendations of the Council, specify by notification.

Explanation.—For the purposes of this section, the expression “Aadhaar number” shall have the same meaning as assigned to it in clause (a) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016.”

Amendment of
section 29

8 In section 29 of the Principal Act, 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;

- (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.

Insertion of New
section 31A

- 9 In the Principal Act after section 31, the following section shall be inserted, namely:—

“31A. The Government may, on the recommendations of the Council, prescribe a class of registered persons who shall provide prescribed modes of electronic payment to the recipient of supply of goods or services or both made by him and give option to such recipient to make payment accordingly, in such manner and subject to such conditions and restrictions, as may be prescribed”.

Amendment of
section 34

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

Amendment of
section 35

- 11 In section 35 of the Principal Act, sub-section (5) shall be omitted.

Amendment of
section 37

- 12 In section 37 of the Principal Act,—

(a) in sub-section (1), —

(i) after the words “shall furnish, electronically”, the words “subject to such conditions and restrictions and” shall be inserted;

(ii) for the words “shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed”, the words “shall, subject to such conditions and restrictions, within such time and in such manner as may be prescribed, be communicated to the recipient of the said supplies” shall be substituted;

(iii) the first proviso shall be omitted;

(iv) in the second proviso, for the words “Provided further that”, the words “Provided that” shall be substituted;

(v) in the third proviso, for the words “Provided also that”, the words “Provided further that” shall be substituted;

(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”.

Substitution of new section for section 38.

- 13 For section 38 of the Principal Act, the following section shall be substituted, namely:—

38. Communication of details of inward supplies and input tax credit.

- “(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

14 In section 39 of the Principal Act,—

(a) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

“(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed:

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

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

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

(c) for sub-section (7), the following sub-section shall be substituted, namely:—

“(7) Every registered person who is required to furnish a return under sub-section (1), other than the person referred to in the proviso thereto, or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return:

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

- (a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month; or
- (b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed:

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

- (d) 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;
- (e) 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".

Substitution of new section for section 41.

15 For section 41 of the Principal Act, the following section shall be substituted, namely:—

"41. Availment of input tax credit.

- (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to avail the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited to his electronic credit ledger.
- (2) The credit of input tax availed by a registered person under sub-section (1) in respect of such supplies of goods or services or both, the tax payable whereon has not been paid by the supplier, shall be reversed along with applicable interest, by the said person in such manner as may be prescribed:

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

Omission of sections 42, 43 and 43A.

16 Sections 42, 43 and 43A of the Principal Act shall be omitted.

Substitution of new section for section 44.

17 For section 44 of the Principal Act, the following section shall be substituted, namely:—

“44. Annual return.

Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:

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

Provided further that nothing contained in this 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”.

Amendment of section 47.

18 In section 47 of the Principal Act, in sub-section (1),—

- (a) the words “or inward” shall be omitted;
- (b) the words and figures “or section 38” shall be omitted;
- (c) after the words and figures “section 39 or section 45”, the words and figures “or section 52” shall be inserted.

Amendment of section 48.

19 In section 48 of the Principal Act, in sub-section (2), the words and figures, “the details of inward supplies under section 38” shall be omitted.

Amendment of section 49

20 In section 49 of the Principal Act,

- (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 (9), the following sub-sections shall be inserted, namely:—

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

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

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

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

“(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”.

Amendment of
section 50

21 In section 50 of the Principal Act,

- (a) in sub-section (1), the following proviso shall be inserted, namely:—

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

- (b) 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

percent 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

- 22 In section 52 of the Principal Act, 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

- 23 In section 54 of the Principal Act, —

- (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 sub-section (10), 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
section 74

- 24 In section 74 of the Principal Act, in sub-section (11), in Explanation 1, in clause (ii), for the words and figures “sections 122, 125, 129 and 130”, the words and figures “sections 122 and 125” shall be substituted.

Amendment of
section 75

- 25 In section 75 of the Principal Act, in sub-section (12), the following Explanation shall be inserted, namely:—

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

Amendment of
section 83

- 26 In section 83 of the Principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, attach provisionally, any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of section 122, in such manner as may be prescribed”.

Amendment of
section 95

27 In section 95 of the Principal Act,—

(i) in clause (a),—

(a) after the words “Appellate Authority”, the words “or the National Appellate Authority” shall be inserted;

(b) after the words and figures “of section 100”, the words, figures and letter “or of section 101C” shall be inserted;

(ii) after clause (e), the following clause shall be inserted, namely:—

“(f) “National Appellate Authority” means the National Appellate Authority for Advance Ruling referred to in section 101A”.

Amendment of
section 102

28 In section 102 of the Principal Act,—

(a) after the words “Appellate Authority”, at both the places where they occur, the words “or the National Appellate Authority” shall be inserted;

(b) after the words and figures “or section 101”, the words, figures and letter “or section 101C, respectively,” shall be inserted;

(c) for the words “or the appellant”, the words, “appellant, the Authority or the Appellate Authority” shall be substituted.

Amendment of
section 103

29 In section 103 of the Principal Act,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) The Advance Ruling pronounced by the National Appellate Authority under this Chapter shall be binding on—

(a) the applicants, being distinct persons, who had sought the ruling under sub-section (1) of section 101B and all registered persons having the same Permanent Account Number issued under the Income-tax Act, 1961;

(b) the concerned officers and the jurisdictional officers in respect of the applicants referred to in clause (a) and the registered persons having the same Permanent Account Number issued under the Income-tax Act, 1961”;

(ii) in sub-section (2), after the words, brackets and figure “in sub-section (1)”, the words, brackets, figure and letter “and sub-section (1A)” shall be inserted.

Amendment of
section 104

30 In section 104 of the Principal Act, in sub-section (1),—

(a) after the words “Authority or the Appellate Authority”, the words “or the National Appellate Authority” shall be inserted;

(b) after the words and figures “of section 101”, the words, figures and letter “or under section 101C” shall be inserted.

Amendment of
section 105

31 In section 106 of the Principal Act,—

- (a) for the marginal heading, the following marginal heading shall be substituted, namely:—

“Procedure of Authority, Appellate Authority and National Appellate Authority”;

- (b) after the words “Appellate Authority”, the words “or the National Appellate Authority” shall be inserted.

Amendment of
section 107

32 In section 107 of the Principal Act, in sub-section (6), the following proviso shall be inserted, namely:—

“Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to twenty-five percent of the penalty has been paid by the appellant”.

Amendment of
section 129

33 In section 129 of the Principal Act,—

- (i) in sub-section (1), for clauses (a) and (b), the following clauses shall be substituted, namely:—

“(a) on payment of penalty equal to two hundred per cent of the tax payable on such goods and, in case of exempted goods, on payment of an amount equal to two percent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such penalty;

(b) on payment of penalty equal to fifty percent of the value of the goods or two hundred percent of the tax payable on such goods, whichever is higher, and in case of exempted goods, on payment of an amount equal to five percent of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods does not come forward for payment of such penalty”;

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

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

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

- (iv) in sub-section (4), for the words “No tax, interest or penalty”, the words “No penalty” shall be substituted;

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

“(6) Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty under sub-section (1) within

fifteen days from the date of receipt of the copy of the order passed under sub-section (3), the goods or conveyance so detained or seized shall be liable to be sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable under sub-section (3):

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

Provided further that where the detained or seized goods are perishable or hazardous in nature or are likely to depreciate in value with passage of time, the said period of fifteen days may be reduced by the proper officer”.

Amendment of
section 130

34 In section 130 of the Principal Act,—

- (a) in sub-section (1), for the words “Notwithstanding anything contained in this Act, if,” the word “Where” shall be substituted;
- (b) in sub-section (2), in the second proviso, for the words, brackets and figures “amount of penalty leviable under sub-section (1) of section 129”, the words “penalty equal to hundred percent of the tax payable on such goods” shall be substituted;
- (c) sub-section (3) shall be omitted.

Substitution of new
section for section
151.

35 For section 151 of the Principal Act, the following section shall be substituted, namely:—

“151. Power to call for information.

The Commissioner or an officer authorised by him may, by an order, direct any person to furnish information relating to any matter dealt with in connection with this Act, within such time, in such form, and in such manner, as may be specified therein”.

Amendment of
section 152

36 In section 152 of the Principal Act,—

- (a) in sub-section (1),—
 - (i) the words “of any individual return or part thereof” shall be omitted;
 - (ii) after the words “any proceedings under this Act”, the words “without giving an opportunity of being heard to the person concerned” shall be inserted;
- (b) sub-section (2) shall be omitted.

Amendment of
section 168

37 In section 168 of the Principal Act, in sub-section (2), –

- (a) after the word and figures “section 39”, the words, brackets and figures “section 44, sub-sections (4) and (5) of section 52,” shall be inserted.

- (b) the words, brackets and figures "sub-section (1) of section 151," shall be omitted.
- (c) the words, brackets and figures "sub-section (2) of section 38," shall be omitted.

Amendment of
section 171

38 In section 171 of the Principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

‘(3A) Where the Authority referred to in sub-section (2), after holding examination as required under the said sub-section comes to the conclusion that any registered person has profiteered under sub-section (1), such person shall be liable to pay penalty equivalent to ten percent of the amount so profiteered:

Provided that no penalty shall be leviable if the profiteered amount is deposited within thirty days of the date of passing of the order by the Authority.

Explanation.—For the purposes of this section, the expression “profiteered” shall mean the amount determined on account of not passing the benefit of reduction in rate of tax on supply of goods or services or both or the benefit of input tax credit to the recipient by way of commensurate reduction in the price of the goods or services or both’.

Amendment to
Schedule II

39 In Schedule II of the Principal Act, paragraph 7 shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

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L.R.-cum-Secretary
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