

THE FINANCE BILL, 2020

Extract of GST Provisions

CHAPTER IV INDIRECT TAXES

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(c) "serious injury" means an injury causing significant overall impairment in the position of a domestic industry;

(d) "threat of serious injury" means a clear and imminent danger of serious injury.

(12) Every notification issued under this section shall be laid, as soon as may be after it is issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be issued, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.'

Amendment
of First
Schedule.

115. In the Customs Tariff Act, the First Schedule shall—

(a) be amended in the manner specified in the Second Schedule; and

(b) be also amended in the manner specified in the Third Schedule.

Central Goods and Services Tax

Amendment
of section 2.

116. In section 2 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), in clause (114), for clauses (c) and (d), the following clauses shall be substituted, namely:—

"(c) Dadra and Nagar Haveli and Daman and Diu;

(d) Ladakh;"

Amendment
of section 10.

117. In section 10 of the Central Goods and Services Tax Act, in sub-section (2), in clauses (b), (c) and (d), after the words "of goods", the words "or services" shall be inserted.

Amendment
of section 16.

118. In section 16 of the Central Goods and Services Tax Act, in sub-section (4), the words "invoice relating to such" shall be omitted.

Amendment
of section 29.

119. In section 29 of the Central Goods and Services Tax Act, in sub-section (1), for clause (c), the following clause shall be substituted, namely:—

"(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of section 25;"

Amendment
of section 30.

120. In section 30 of the Central Goods and Services Tax Act, in sub-section (1), for the proviso, the following proviso shall be substituted, namely:—

"Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

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

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

Amendment
of section 31.

121. In section 31 of the Central Goods and Services Tax Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:—

"Provided that the Government may, on the recommendations of the Council, by notification,—

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

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

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

(ii) tax invoice may not be issued."

Amendment
of section 51.

122. In section 51 of the Central Goods and Services Tax Act,—

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

“(3) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.”.

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

123. In section 109 of the Central Goods and Services Tax Act, in sub-section (6),—

Amendment
of section
109.

5 (a) the words “except for the State of Jammu and Kashmir” shall be omitted;

(b) the first proviso shall be omitted.

124. In section 122 of the Central Goods and Services Tax Act, after sub-section (1), the following sub-section shall be inserted, namely:—

Amendment
of section
122.

10 “(1A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.”.

125. In section 132 of the Central Goods and Services Tax Act, in sub-section (1),—

Amendment
of section
132.

15 (i) for the words “Whoever commits any of the following offences”, the words “Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences” shall be substituted;

(ii) for clause (c), the following clause shall be substituted, namely:—

“(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill;”;

20 (iii) in sub-clause (e), the words “, fraudulently avails input tax credit” shall be omitted.

126. In section 140 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017,—

Amendment
of section
140.

25 (a) in sub-section (1), after the words “existing law”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;

(b) in sub-section (2), after the words “appointed day”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;

30 (c) in sub-section (3), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

(d) in sub-section (5), for the words “existing law”, the words “existing law, within such time and in such manner as may be prescribed” shall be substituted and shall be deemed to have been substituted;

35 (e) in sub-section (6), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

40 (f) in sub-section (7), for the words “credit under this Act even if”, the words “credit under this Act, within such time and in such manner as may be prescribed, even if” shall be substituted and shall be deemed to have been substituted;

(g) in sub-section (8), for the words “in such manner”, the words “within such time and in such manner” shall be substituted and shall be deemed to have been substituted;

45 (h) in sub-section (9), for the words “credit can be reclaimed subject to”, the words “credit can be reclaimed within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted.

50 **127.** In section 168 of the Central Goods and Services Tax Act, in sub-section (2), for the words, brackets and figures “sub-section (5) of section 66, sub-section (1) of section 143”, the words, brackets and figures “sub-section (1) of section 143, except the second proviso thereof” shall be substituted.

Amendment
of section
168.

128. In section 172 of the Central Goods and Services Tax Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

Amendment of
section 172.

129. In Schedule II to the Central Goods and Services Tax Act, in paragraph 4, the words “whether or not for a consideration,” at both the places where they occur, shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

Amendment
to Schedule II.

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

130. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 673(E), dated the 28th June, 2017, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 9 of the Central Goods and Services Tax Act, 2017,—

5 12 of 2017.

(i) no central tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);

(ii) central tax at the rate of six per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

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

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Retrospective effect to notification issued under clause (ii) of proviso to sub-section (3) of section 54 of Central Goods and Services Tax Act.

131. The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 708(E), dated the 30th September, 2019, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017, read with sub-section (2) of section 9 of the Goods and Services Tax (Compensation to States) Act, 2017, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017.

20 12 of 2017.
15 of 2017.

Integrated Goods and Services Tax

Amendment of section 25.

132. In section 25 of the Integrated Goods and Services Tax Act, 2017, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

13 of 2017.
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Retrospective exemption from, or levy or collection of, integrated tax in certain cases.

133. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 666(E), dated the 28th June, 2017, issued by the Central Government, on the recommendations of the Council, in exercise of the power under sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017,—

30 13 of 2017.

(i) no integrated tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);

(ii) integrated tax at the rate of twelve per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

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

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Union Territory Goods and Services Tax

Amendment of section 1.

134. In section 1 of the Union Territory Goods and Services Tax Act, 2017 (hereinafter referred as the Union Territory Goods and Services Tax Act), in sub-section (2), for the words “Dadra and Nagar Haveli, Daman and Diu”, the words “Dadra and Nagar Haveli and Daman and Diu, Ladakh” shall be substituted.

14 of 2017.
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Amendment of section 2.

135. In section 2 of the Union Territory Goods and Services Tax Act, in clause (8), for sub-clauses (iii) and (iv), the following sub-clauses shall be substituted, namely:—

“(iii) Dadra and Nagar Haveli and Daman and Diu;
(iv) Ladakh.”

Amendment of section 26.

136. In section 26 of the Union Territory Goods and Services Tax Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

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14 of 2017.	5	137. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 710(E), dated the 28th June, 2017, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 7 of the Union Territory Goods and Services Tax Act, 2017, —	Retrospective exemption from, or levy or collection of, Union territory tax in certain cases.
		(i) no Union territory tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);	
	10	(ii) Union territory tax at the rate of six per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).	
	15	(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.	

*Goods and Services Tax
(Compensation to States)*

15 of 2017.	20	138. In section 14 of the Goods and Services Tax (Compensation to States) Act, 2017, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.	Amendment of section 14.
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CHAPTER V

HEALTH CESS

	<p>139. (1) In the case of goods specified in the Fourth Schedule being goods imported</p> <p>25 into India, there shall be levied and collected for the purposes of the Union, a duty of customs, to be called the Health Cess, at the rates specified in the said Schedule, for the purposes of financing the health infrastructure and services.</p>	Health Cess on imported medical devices.
	<p>(2) The Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the Health Cess levied under this Chapter for</p> <p>30 the purposes specified in sub-section (1), as it may consider necessary.</p>	
52 of 1962.	<p>(3) For the purposes of calculating the Health Cess under this Chapter on the goods specified in the Fourth Schedule, where such duty is leviable at any percentage of its value, the value of such goods shall be calculated in the same manner as the value of goods is calculated for the purpose of customs duty under the provisions of section 14 of the Customs Act, 1962 (hereafter in this Chapter referred to as the Customs Act).</p> <p>35</p>	
	<p>(4) The Health Cess leviable under sub-section (1), chargeable on the goods specified in the Fourth Schedule, shall be in addition to any other duties of customs chargeable on such goods under the Customs Act or any other law for the time being in force.</p>	
	<p>(5) The provisions of the Customs Act and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, offences and imposition of penalty, shall, as far as may be, apply in relation to the levy and collection of the Health Cess leviable under this Chapter in respect of the goods specified in the Fourth Schedule as they apply in relation to the levy and collection of duties of customs on such goods under the said Act or the rules or the regulations made thereunder, as the case may be.</p> <p>40</p>	

CHAPTER VI

MISCELLANEOUS

PART I

AMENDMENTS TO THE INDIAN STAMP ACT, 1899

		140. The provisions of this Part shall come into force on the 1st day of April, 2020.	Commencement of this Part.
2 of 1899.	50	141. In section 9A of the Indian Stamp Act, 1899 (hereafter in this Part referred to as the Stamp Act), in sub-section (2), the following proviso shall be inserted, namely:—	Amendment of section 9A.
28 of 2005.		“Provided that no such duty shall be chargeable in respect of the instruments of transaction in stock exchanges and depositories established in any International Financial Services Centre set up under section 18 of the Special Economic Zones Act, 2005.”	