

THE PUDUCHERRY GOODS AND SERVICES TAX  
(AMENDMENT) BILL, 2023

(Bill No. 4 of 2023)

A  
BILL

**further to amend the Puducherry Goods and Services  
Tax Act, 2017**

BE it enacted by the Puducherry Legislative Assembly in the Seventy-fourth Year of the Republic of India as follows :—

Short title and commencement.

1. (1) This Act may be called the Puducherry Goods and Services Tax (Amendment) Act, 2023.

(2) Save as otherwise provided in this Act,

(a) the provisions of sections 16 to 21 of this Act shall be deemed to have come into force on the 1st day of August, 2023.

(b) the provisions of sections 2 to 15 and 22 to 27 of this Act shall come into force on such date, with prospective or retrospective effect, as the Government of Puducherry may, by notification in the Official Gazette, appoint.

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

Amendment of section 2.

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

Act  
No. 6  
of  
2017.

(a) after clause (80), the following clauses shall be inserted, namely:—

‘(80A) “online gaming” means offering of a game on the internet or an electronic network and includes online money gaming;

(80B) “online money gaming” means online gaming in which players pay or deposit money or money’s worth, including virtual digital assets, in the expectation of winning money or money's worth, including virtual digital assets, in any event including game, scheme, competition or any other activity or process, whether or not its outcome or performance is based on skill, chance or both and whether the same is permissible or otherwise under any other law for the time being in force;’;

(b) after clause (102), the following clause shall be inserted, namely:–

‘(102A) “specified actionable claim” means the actionable claim involved in or by way of–

- (i) betting;
- (ii) casinos;
- (iii) gambling;
- (iv) horse racing;
- (v) lottery; or
- (vi) online money gaming;’;

(c) in clause (105), the following proviso shall be inserted at the end, namely:–

“Provided that a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money’s worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall

apply to such supplier of specified actionable claims, as if, he is the supplier liable to pay the tax in relation to the supply of such actionable claims;”;

(d) after clause (117), the following clause shall be inserted, namely:—

‘(117A) “virtual digital asset” shall have the same meaning as assigned to it in clause (47A) of section 2 of the Income-tax Act, 1961;’.

Central  
Act  
No. 43  
of  
1961.

Amendment of  
section 10.

3. In the principal Act, in section 10,—

(a) in sub-section (2), in clause (d), the words “goods or” shall be omitted;

(b) in sub-section (2A), in clause (c), the words “goods or” shall be omitted.

Amendment of  
section 16.

4. In the principal Act, in section 16, in sub-section (2),—

(i) in the second proviso, for the words "added to his output tax liability, along with interest thereon", the words and figures “paid by him along with interest payable under section 50” shall be substituted;

(ii) in the third proviso, after the words “made by him”, the words “to the supplier” shall be inserted.

Amendment of  
section 17.

5. In the principal Act, in section 17,—

(a) in sub-section (3), in the Explanation, for the words and figure “except those specified in paragraph 5 of the said Schedule”, the following shall be substituted, namely:—

“except,—

(i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and

(ii) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule.”;

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

“(fa) goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;”.

Central  
Act  
No. 18  
of  
2013.

6. In the principal Act, in section 23, for sub-section (2), 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:—

Amendment of  
section 23.

“(2) Notwithstanding anything to the contrary contained in sub-section (1) of section 22 or section 24, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, specify the category of persons who may be exempted from obtaining registration under this Act.”.

7. In the principal Act, in section 24,—

Amendment of  
section 24.

(a) in clause (xi), the word "and" occurring at the end, shall be omitted;

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

“(xia) every person supplying online money gaming from a place outside India to a person in India; and”.

8. In the principal Act, in section 30, in sub-section (1),—

Amendment of  
section 30.

(a) for the words “the prescribed manner within thirty days from the date of service of the cancellation order:”, the words “such manner, within such time and subject to such conditions and restrictions, as may be prescribed.” shall be substituted;

(b) the proviso shall be omitted.

Amendment of  
section 37.

9. In the principal Act, in section 37, after sub-section (4), the following sub-section shall be inserted, namely:—

“(5) A registered person shall not be allowed to furnish the details of outward supplies under sub-section (1) for a tax period after the expiry of a period of three years from the due date of furnishing the said details:

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 for a tax period under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said details.”.

Amendment of  
section 39.

10. In the principal Act, in section 39, after sub-section (10), the following sub-section shall be inserted, namely:—

“(11) A registered person shall not be allowed to furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return:

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 for a tax period, even after the expiry of the said period of three years from the due date of furnishing the said return.”.

Amendment of  
section 44.

11. In the principal Act, the existing section 44 shall be renumbered as sub-section (1) thereof, and after sub-section (1) as so renumbered, the following sub-section shall be inserted, namely:—

“(2) A registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return:

Provided that the Government may, on the recommendations of the Council, by notification, and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish an annual return for a financial year under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return.”.

12. In the principal Act, in section 52, after sub-section (14), the following sub-section shall be inserted, namely:— Amendment of section 52.

“(15) The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement:

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 an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement.”.

13. In the principal Act, in section 54, in sub-section (6), the words “excluding the amount of input tax credit provisionally accepted,” shall be omitted. Amendment of section 54.

14. In the principal Act, in section 56, for the words “from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax”, the words “for the period of delay beyond sixty days Amendment of section 56.

from the date of receipt of such application till the date of refund of such tax, to be computed in such manner and subject to such conditions and restrictions as may be prescribed" shall be substituted.

Amendment of section 62. 15. In the principal Act, in section 62, in sub-section (2),-

(a) for the words "thirty days", the words "sixty days" shall be substituted;

(b) the following proviso shall be inserted, namely:-

"Provided that where the registered person fails to furnish a valid return within sixty days of the service of the assessment order under sub-section (1), he may furnish the same within a further period of sixty days on payment of an additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of the said assessment order and in case, he furnishes valid return within such extended period, the said assessment order shall be deemed to have been withdrawn, but, the liability to pay interest under sub-section (1) of section 50 or to pay late fee under section 47 shall continue."

Substitution of section 109. 16. In the principal Act, for section 109, the following section shall be substituted, namely:-

Constitution of Appellate Tribunal and Benches thereof. "Subject to the provisions of this Chapter, the Goods and Services Tax Tribunal constituted under the Central Goods and Services Tax Act, 2017 shall be the Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority under this Act." Central Act No. 12 of 2017.

Omission of section 110. 17. In the principal Act, section 110 shall be omitted.

Omission of section 114. 18. In the principal Act, section 114 shall be omitted.

19. In the principal Act, in section 117,— Amendment of section 117.
- (a) in sub-section (1), for the words “State Bench or Area Benches”, the words “State Benches” shall be substituted;
- (b) in sub-section (5), in clauses (a) and (b), for the words “State Bench or Area Benches”, the words “State Benches” shall be substituted.
20. In the principal Act, in section 118, in sub-section (1), in clause (a), for the words “National Bench or Regional Benches”, the words “Principal Bench” shall be substituted. Amendment of section 118.
21. In the principal Act, in section 119,— Amendment of section 119.
- (a) for the words “National or Regional Benches”, the words “Principal Bench” shall be substituted;
- (b) for the words “State Bench or Area Benches”, the words “State Benches” shall be substituted.
22. In the principal Act, in section 122, after sub-section (1A), the following sub-section shall be inserted, namely:— Amendment of section 122.
- “(1B) Any electronic commerce operator who—
- (i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;
- (ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or
- (iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act,



shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.”.

Amendment of section 132.

23. In the principal Act, in section 132, in sub-section (1),—

(a) clauses (g), (j) and (k) shall be omitted;

(b) in clause (l), for the words, brackets and letters "clauses (a) to (k)", the words, brackets and letters "clauses (a) to (f) and clauses (h) and (i)" shall be substituted;

(c) in clause (iii), for the words "any other offence", the words, brackets and letter "an offence specified in clause (b)," shall be substituted;

(d) in clause (iv), the words, brackets and letters "or clause (g) or clause (j)" shall be omitted.

Amendment of section 138.

24. In the principal Act, in section 138,—

(a) in sub-section (1), in the first proviso,—

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

“(a) a person who has been allowed to compound once in respect of any of the offences specified in clauses (a) to (f), (h), (i) and (l) of sub-section (1) of section 132;”;

(ii) clause (b) shall be omitted;

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

“(c) a person who has been accused of committing an offence under clause (b) of sub-section (1) of section 132;”;

(iv) clause (e) shall be omitted;

(b) in sub-section (2), for the words “ten thousand rupees or fifty percent of the tax involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty percent of the tax, whichever is higher”, the words “twenty-five percent of the tax involved and the maximum amount not being more than one hundred percent of the tax involved” shall be substituted.

25. In the principal Act, after section 158, the following section shall be inserted, namely:—

Insertion of new section 158A.

“158A. (1) Notwithstanding anything contained in sections 133, 152 and 158, the following details furnished by a registered person may, subject to the provisions of sub-section (2), and on the recommendations of the Council, be shared by the common portal with such other systems as may be notified by the Government, in such manner and subject to such conditions as may be prescribed, namely:—

Consent based sharing of information furnished by taxable person.

(a) particulars furnished in the application for registration under section 25 or in the return filed under section 39 or under section 44;

(b) the particulars uploaded on the common portal for preparation of invoice, the details of outward supplies furnished under section 37 and the particulars uploaded on the common portal for generation of documents under section 68;

(c) such other details as may be prescribed.

(2) For the purposes of sharing details under sub-section (1), the consent shall be obtained, of,—

(a) the supplier, in respect of details furnished under clauses (a), (b) and (c) of sub-section (1); and

(b) the recipient, in respect of details furnished under clause (b) of sub-section (1), and under clause (c) of sub-section (1) only where such details include identity information of the recipient,

in such form and manner as may be prescribed.

(3) Notwithstanding anything contained in any law for the time being in force, no action shall lie against the Government or the common portal with respect to any liability arising consequent to information shared under this section and there shall be no impact on the liability to pay tax on the relevant supply or as per the relevant return.”.

Amendment of Schedule III and retrospective exemption to certain activities and transactions.

26. (1) In Schedule III to the principal Act,

(a) in paragraph 6, for the words “lottery, betting and gambling”, the words “specified actionable claims” shall be substituted.

(b) paragraphs 7 and 8 and the Explanation 2 thereof (as inserted *vide* section 31 of Puducherry Act No. 7 of 2018) shall be deemed to have been inserted therein with effect from the 1st day of July, 2017.

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

Transitory provision.

27. The amendments made under this Act in section 2, section 24 and paragraph 6 of Schedule III of the principal Act shall be without prejudice to provisions of any other law for the time being in force, providing for prohibiting, restricting or regulating betting, casino, gambling, horse racing, lottery or online gaming.

## STATEMENT OF OBJECTS AND REASONS

Various decisions have been taken by the Goods and Services Tax Council requiring amendments in the Goods and Services Tax Laws. Accordingly, the Central Goods and Services Tax Act, 2017 (12 of 2017) and the Integrated Goods and Services Tax Act, 2017 (13 of 2017) have been amended by the enactments of the Parliament.

2. In order to maintain the uniformity in applicability of the provisions of the Central Goods and Services Tax Act, 2017 and the Puducherry Goods and Services Tax Act, 2017 (6 of 2017), it is proposed to amend the Puducherry Goods and Services Tax Act, 2017 ("the Act").

3. The proposed Puducherry Goods and Services Tax (Amendment) Bill, 2023, *inter alia*, provides for the following, namely:-

(i) to amend section 2 of the Act to provide for definition of the expressions "online gaming", "online money gaming", "specified actionable claim" and "virtual digital asset" and insert a proviso in the definition of "supplier" to provide clarity regarding "supplier" in case of supply of "specified actionable claim";

(ii) to amend clause (d) of sub-section (2) and clause (c) of sub-section (2A) of section 10 of the Act so as to remove the restriction imposed on registered persons engaged in supplying goods through electronic commerce operators from opting to pay tax under the composition levy;

(iii) to amend the second and third proviso to sub-section (2) of section 16 of the Act so as to align the said sub-section with the return filing system provided in the Act;

(iv) to amend the Explanation to sub-section (3) of section 17 of the Act so as to restrict availment of input tax credit in respect of certain transactions specified in clause (a) of paragraph 8 of Schedule III of the Act, as may be prescribed by rules, by including the value of such transactions in the value of exempt supply. It further seeks to amend sub-section (5) so as to restrict availment of input tax credit in respect of goods or services or both which are used or intended to be used for activities relating to the obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013;

(v) to substitute sub-section (2) of section 23 of the Act, with retrospective effect from the 1st day of July, 2017, so as to empower the Government to notify the persons not liable for registration which will have an overriding effect over the provisions of sub-section (1) of section 22 and section 24 of the Act;

(vi) to insert a new clause in section 24 of the Act, to provide for mandatory registration of the person for supplying online money gaming, from a place outside India to a person in India;

(vii) to amend sub-section (1) of section 30 of the Act so as to remove the time-limit of thirty days for applying for revocation of cancellation and to empower the Government to prescribe the time-limit for applying for revocation of cancellation. It further seeks to omit the proviso to sub-section (1) of the said section;

(viii) to insert a new sub-section (5) in section 37 of the Act so as to provide a time-limit of three years up to which the details of outward supplies under sub-section (1) for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time-limit for a registered person or a class of registered persons, subject to certain conditions and restrictions;

(ix) to insert a new sub-section (11) in section 39 of the Act so as to provide a time-limit of three years up to which the return for a tax period can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time-limit for a registered person or a class of registered persons, subject to certain conditions and restrictions;

(x) to insert a new sub-section (2) in section 44 of the Act so as to provide a time-limit of three years up to which the annual return under sub-section (1) for a financial year can be furnished by a registered person. It further seeks to empower the Government, on the recommendation of the Council, to extend by notification, the said time-limit for a registered person or a class of registered persons, subject to certain conditions and restrictions.

(xi) to insert a new sub-section (15) in section 52 in the Act so as to provide a time-limit of three years up to which the statement under sub-section (4) for a month can be furnished by an electronic commerce operator. It further seeks to empower the Government, on the

recommendation of the Council, to extend by notification, the said time-limit for an operator or a class of operators, subject to certain conditions and restrictions;

(xii) to amend sub-section (6) of section 54 of the Act so as to remove reference to the provisionally accepted input tax credit and align it with the present Scheme of availment of self-assessed input tax credit as per sub-section (1) of section 41 of the Act;

(xiii) to amend section 56 of the Act so as to provide by rules the manner of computation of period of delay for calculation of interest on delayed refunds;

(xiv) to amend sub-section (2) of section 62 of the Act so as to extend the time-limit for submission of valid return from thirty days to sixty days of the service of assessment order under sub-section (1) of the said section. It further seeks to insert a proviso in the said sub-section to provide for filing of the valid return within a further period of sixty days with additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of assessment order under sub-section (1) of the said section;

(xv) to amend section 109 of the Act so as to provide that the Appellate Tribunal constituted under the Central Goods and Services Tax Act, 2017 shall be the Appellate Tribunal under the said Act;

(xvi) to omit section 110 of the Act relating to adoption of section 110 of the Central Goods and Services Tax Act, 2017 relating to qualification, appointment and conditions of service, *etc.*, of the President and Members of State Bench and Area Benches of Appellate Tribunal since 'State Bench and Area Benches' are replaced with 'State Benches' and all aspects of appointment of Members to the State Benches are provided in the Central Goods and Services Tax Act, 2017;

(xvii) to omit section 114 of the Act relating to financial and administration powers of State President of the Appellate Tribunal since 'State Bench and Area Benches' are replaced with 'State Benches';

(xviii) to amend section 117 of the Act so as to provide for appeal in the High Court against the order passed by the State Benches of the Appellate Tribunal;

(xix) to amend section 118 of the Act so as to provide for appeal in the Supreme Court against the order passed by the Principal Bench of the Appellate Tribunal;

(xx) to amend section 119 of the Act so as to align it with the Principal Bench and State Benches of the Appellate Tribunal replacing the National Bench, Regional Bench, State Bench and Area Benches;

(xxi) to insert a new sub-section (1B) in section 122 of the Act so as to provide for penal provisions applicable to electronic commerce operators in case of contravention of the provisions of the Act;

(xxii) to amend sub-section (1) of section 132 of the Act so as to decriminalise the offences specified in clauses (g), (j) and (k) of the said sub-section and to increase the monetary threshold from one hundred lakh rupees to two hundred lakh rupees for launching prosecution for the offences under the Act, except for the offences related to issuance of invoices without supply of goods or services or both;

(xxiii) to amend the first proviso to sub-section (1) of section 138 of the Act so as to exclude the persons involved in offences relating to issuance of invoices without supply of goods or services or both from the option of compounding of the offences under the Act. It further seeks to amend sub-section (2) so as to rationalise the amount for compounding of various offences by reducing the minimum as well as maximum amount for compounding;

(xxiv) to insert a new section 158A in the Act so as to provide for the manner and conditions for sharing of the information furnished by the registered person in his application for registration or in his return filed or in his statement of outward supplies, or the details uploaded by him for generation of electronic invoice or E-way bill or any other details, as may be provided by rules, on the common portal with such other systems, as may be notified;

(xxv) to amend Schedule III of the Act to substitute "specified actionable claim" in paragraph 6 for the present entries "lottery, betting and gambling", so as to provide clarity regarding taxability of actionable claims involved in or by way of casinos, horse racing and online gaming and to give retrospective applicability to paragraphs 7 and 8 and the Explanation 2 to the said Schedule with effect from the 1st day of July, 2017.

4. The Bill seeks to achieve the above objectives.

**N. RANGASAMY,**  
Chief Minister.

## FINANCIAL MEMORANDUM

The proposed Puducherry Goods and Services Tax (Amendment) Bill, 2023 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the Union territory of Puducherry.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill seeks to amend the Explanation in sub-section (3) of section 17 of the Puducherry Goods and Services Tax Act, 2017 ("the Act") which clarifies that the expression "value of exempt supply" shall not include the value of activities or transactions specified in Schedule III except certain activities or transactions specified therein. Clause (ii) of the said Explanation empowers the Government to specify by rules the value of such activities or transactions in respect of clause (a) of paragraph 8 of Schedule III of the principal Act which are so excepted.

Clause 12 of the Bill seeks to amend section 56 of the Act by substituting certain words therein which empowers the Government to provide by rules the manner of computing the interest in respect of refund payable for the period of delay beyond sixty days from the date of receipt of application till the date of refund, subject to the conditions and restrictions specified therein.

Clause 23 of the Bill seeks to insert a new section 158A in the Act relating to consent based sharing of information furnished by taxable person. Sub-section (1) of the said section empowers the Government to provide by rules, the details to be shared and the manner in which and the conditions subject to which the details may be shared by the common portal with such other systems notified by the Government. Sub-section (2) of the said section empowers the Government to provide by rules, the form and manner in which the consent of the supplier and the recipient specified therein shall be obtained.

2. The matters in respect of which rules may be made in accordance with the provisions of the Bill are matters of procedure and details and it is not practicable to provide for them in the Bill itself.

3. The delegation of Legislative Power is, therefore, of a normal character.



ADMINISTRATOR'S RECOMMENDATION UNDER SUB-SECTION (1)  
OF SECTION 23 OF THE GOVERNMENT OF  
UNION TERRITORIES ACT, 1963.

(Copy of Letter No.2371/CT/GST/2022, dated 15-09-2023 from the  
Hon'ble Chief Minister Thiru N. Rangasamy to the Hon'ble  
Speaker, Legislative Assembly, Puducherry)

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The Lieutenant-Governor, Puducherry, having been informed of the subject matter of the proposed Puducherry Goods and Services Tax (Amendment) Bill, 2023 providing to amend the Puducherry Goods and Services Tax Act, 2017 (Act No. 6 of 2017), recommends under sub-section (1) of section 23 of the Government of Union Territories Act, 1963 (Central Act 20 of 1963), the introduction in and consideration by the Legislative Assembly of the said Bill.

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