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**புதுச்சேரி மாநில அரசிதழ்**  
**La Gazette de L'État de Poudouchéry**  
**The Gazette of Puducherry**

**PART - II**

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(18 Sravana 1946)		

**GOVERNMENT OF PUDUCHERRY**  
**LEGISLATIVE ASSEMBLY SECRETARIAT**

*No. XV-PLA-5/LAS/REF/R.1/2024.*

*Puducherry, dated 06th August 2024.*

Under rule 140 of Rules of Procedure and Conduct of Business of the Puducherry Legislative Assembly, 1966, the following Bill viz.

- (i) The Puducherry Goods and Services Tax (Amendment) Bill, 2024 – (Bill No. 5/2024).

which was introduced in the Legislative Assembly on 06th August, 2024, is published for general information.

**J. DAYALANE,**  
Secretary.

THE PUDUCHERRY GOODS AND SERVICES TAX  
(AMENDMENT) BILL, 2024

(Bill No. 05 of 2024)

A

BILL

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

BE it enacted by the Puducherry Legislative Assembly in the Seventy-fifth 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, 2024.

(2) Save as otherwise provided in this Act.

(a) the provisions 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, for the existing clause (61), the following 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

Act  
No. 6  
of  
2017.

services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, 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;’.

3. In the principal Act, in section 20, for the existing section, the following shall be substituted, namely:-

Amendment of section 20.

“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, 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.

Manner of distribution of credit by Input Service Distributor.

(2) The Input Service Distributor shall distribute the credit of central tax or integrated tax charged on invoices received by him, including the credit of central or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 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 central tax shall be distributed as central tax or integrated tax and integrated tax as integrated tax or central tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.”

Insertion of new section 122A.

4. In the principal Act, after section 122, the following new 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.”

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## 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) has 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, 2024, *inter alia*, provides for the following, namely:-

(i) to amend clause (61) of section 2 of the Act which seeks to include Reverse Charge Mechanism invoice compulsorily under Input Service Distributor mechanism for the purpose of distribution of Input Tax Credit on such invoices by Head Office to branches through Input Service Distributor mechanism only;

(ii) to amend section 20 of the Act which relates to the manner of distribution of credit by Input Service Distributor. Whatever tax an Input Service Distributor pays under Reverse Charge Mechanism, he can distribute such Input Tax Credit to branches under Input Service Distributor Rules only. No other mode will be allowed like cross charge, *etc.*; and

(iii) to include a new section 122A of the Act so as to levy penalty for failure to register certain machines used in manufacture of goods like tobacco, pan masala, *etc.*, as per special procedure;

4. The Bill seeks to achieve the above objectives.

**N. RANGASAMY,**  
Chief Minister.

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## FINANCIAL MEMORANDUM

The proposed Puducherry Goods and Services Tax (Amendment) Bill, 2024 does not involve any recurring or non-recurring expenditure from the Consolidated Fund of the Union territory of Puducherry.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill seeks to amend the definition in clause (61) of section 2 of the Puducherry Goods and Services Tax Act, 2017 (“the Act”) which includes the Reverse Charge Mechanism invoices compulsorily under Input Service Distributor mechanism for the purpose of distribution of Input Tax Credit on such invoices by Head Office to branches through Input Service Distributor mechanism only.

Clause 3 of the Bill seeks to amend section 20 of the Act by substituting certain words therein which provides the manner of distribution of credit by Input Service Distributor and whatever tax an Input Service Distributor pays under Reverse Charge Mechanism, he can distribute such Input Tax Credit to branches under Input Service Distributor Rules only.

Clause 4 of the Bill seeks to insert a new section 122A in the Act relating to penalty for failure to register certain machines used in manufacture of goods like tobacco, pan masala, *etc.*, as per special procedure.

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. 0208/CM/OSD/PA/2024, dated 31/07/2024 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, 2024 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.