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### LEGISLATIVE SUPPLEMENT

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**PART - I****HARYANA GOVERNMENT****LAW AND LEGISLATIVE DEPARTMENT****Notification**

The 28th September, 2018

**No. Leg. 30/2018.**— The following Act of the Legislature of the State of Haryana received the assent of the Governor of Haryana on the 24th September, 2018 and is hereby published for general information:—

**HARYANA ACT NO. 25 OF 2018****THE HARYANA GOODS AND SERVICES TAX (AMENDMENT) ACT, 2018**

AN

ACT

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

Be it enacted by the Legislature of the State of Haryana in the Sixty-ninth Year of the Republic of India as follows:—

**1.** (1) This Act may be called the Haryana Goods and Services Tax (Amendment) Act, 2018. Short title and commencement.

(2) Save as otherwise provided, the provisions of this Act shall come into force on such date as the Government 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.

**2.** In section 2 of the Haryana Goods and Services Tax Act, 2017 (hereinafter called the principal Act),— Amendment of section 2 of Haryana Act 19 of 2017.

(a) in clause (4), for the words “the Appellate Authority and the Appellate Tribunal”, the words, brackets and figures “the Appellate Authority, the Appellate Tribunal and the Authority referred to in sub-section (2) of section 171” shall be inserted;

(b) in clause (16), for the words “Central Board of Excise and Customs”, the words “Central Board of Indirect Taxes and Customs” shall be substituted;

(c) for sub-clause (h) of clause (17), the following sub-clause shall be substituted, namely:—

“(h) activities of a race club including by way of totalisator or a licence to book maker or activities of a licensed book maker in such club; and”;

(d) clause (18) shall be omitted;

(e) in clause (35), for the word, brackets and letter “clause (c)”, the word, brackets and letter “clause (b)” shall be substituted;

(f) in sub-clause (f) of clause (69), after the word and figures “article 371”, the words, figures and letter “and article 371J” shall be inserted;

(g) in clause (102),—

(i) for the sign “;” existing at the end, the sign “.” shall be substituted; and

(ii) the following Explanation shall be added, namely:—

**“Explanation.**— For the removal of doubts, it is hereby clarified that the expression “services” includes facilitating or arranging transactions in securities;”.

Amendment of section 7 of Haryana Act 19 of 2017.

- 3.** In section 7 of the principal Act,—
- (a) in sub-section (1),—
- (i) in clause (b), after the words “or furtherance of business;”, the word “and” shall be inserted and shall be deemed to have been inserted with effect from the 1st July, 2017;
- (ii) in clause (c), after the words “a consideration”, the word “and” shall be omitted and shall be deemed to have been omitted with effect from the 1st July, 2017;
- (iii) clause (d) shall be omitted and shall be deemed to have been omitted with effect from the 1st July, 2017;
- (b) after sub-section (1), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st July, 2017, namely:-
- “(1A) where certain activities or transactions, constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II.”;
- (c) in sub-section (3), for the words, brackets and figures “sub-sections (1) and (2)”, the words, brackets, figures and letter “sub-sections (1), (1A) and (2)” shall be substituted and shall be deemed to have been substituted with effect from the 1st July, 2017.

Amendment of section 9 of Haryana Act 19 of 2017.

- 4.** For sub-section (4) of section 9 of the principal Act, the following sub-section shall be substituted, namely:-
- “(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.”.

Amendment of section 10 of Haryana Act 19 of 2017.

- 5.** In section 10 of the principal Act,—
- I. in sub-section (1)—
- (i) for the words and sign “in lieu of the tax payable by him, an amount calculated at such rate”, the words, sign, brackets and figures “in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate” shall be substituted;
- (ii) in the proviso,—
- (a) for the words “one crore rupees”, the words “one crore and fifty lakh rupees” shall be substituted; and
- (b) for the sign “.” existing at the end, the sign “:” shall be substituted;
- (iii) after the proviso, the following proviso shall be inserted, namely:-
- “Provided further that a person who opts to pay tax under clause (a) or clause (b) or clause (c) may supply services (other than those referred to in clause (b) of paragraph 6 of Schedule II), of value not exceeding ten per cent of turnover in the State in the preceding financial year or five lakh rupees, whichever is higher.”;
- II. for clause (a) of sub-section (2), the following clause shall be substituted, namely:-
- “(a) save as provided in sub-section (1), he is not engaged in the supply of services;”.

Amendment of section 12 of Haryana Act 19 of 2017.

- 6.** In clause (a) of sub-section (2) of section 12 of the principal Act, the words, brackets and figure “sub-section (1) of” shall be omitted.

7. In sub-section (2) of section 13 of the principal Act,—
- (a) in clause (a), the words, brackets and figure “sub-section (2) of” shall be omitted; and
- (b) in clause (b), the words, brackets and figure “sub-section (2) of” shall be omitted.
- Amendment of section 13 of Haryana Act 19 of 2017.
8. In sub-section (2) of section 16 of the principal Act,—
- (a) in clause (b), for the Explanation, the following Explanation shall be substituted, namely:-
- “**Explanation.**— For the purposes of this clause, it shall be deemed that the registered person has received the goods or services, as the case may be—
- (i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;
- (ii) where the services are provided by the supplier to any person on the direction of or on account of such registered person.”;
- (b) in clause (c), for the word and figures “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted.
- Amendment of section 16 of Haryana Act 19 of 2017.
9. In section 17 of the principal Act,—
- (a) in sub-section (3),—
- (i) for the sign “;” existing at the end, the sign “.” shall be substituted; and
- (ii) the following Explanation shall be added, namely:-
- “**Explanation.**— For the purposes of this sub-section, the expression “value of exempt supply” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule.”;
- (b) for clauses (a) and (b) of sub-section (5), the following clauses shall be substituted, namely:-
- “(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:-
- (A) further supply of such motor vehicles; or
- (B) transportation of passengers; or
- (C) imparting training on driving such motor vehicles;
- (aa) vessels and aircraft except when they are used—
- (i) for making the following taxable supplies, namely:-
- (A) further supply of such vessels or aircraft; or
- (B) transportation of passengers; or
- (C) imparting training on navigating such vessels; or
- (D) imparting training on flying such aircraft;
- (ii) for transportation of goods;
- (ab) services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa):
- Amendment of section 17 of Haryana Act 19 of 2017.

Provided that the input tax credit in respect of such services shall be available—

- (i) where the motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) are used for the purposes specified therein;
  - (ii) where received by a taxable person engaged—
    - (I) in the manufacture of such motor vehicles, vessels or aircraft; or
    - (II) in the supply of general insurance services in respect of such motor vehicles, vessels or aircraft insured by him;
- (b) the following supply of goods or services or both—
- (i) food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft referred to in clause (a) or clause (aa) except when used for the purposes specified therein, life insurance and health insurance:

Provided that the input tax credit in respect of such goods or services or both shall be available where an inward supply of such goods or services or both is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply;

- (ii) membership of a club, health and fitness centre; and
- (iii) travel benefits extended to employees on vacation such as leave or home travel concession:

Provided that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide to its employees under any law for the time being in force.”.

Amendment of section 20 of Haryana Act 19 of 2017.

**10.** In section 20 of the principal Act, in clause (c) to the Explanation, for the words and figures “under entry 84”, the words, figures and letter “under entries 84 and 92A” shall be substituted.

Amendment of section 22 of Haryana Act 19 of 2017.

**11.** In section 22 of the principal Act,—

- (a) in sub-section (1),—
  - (i) in the proviso, for the sign “.” existing at the end, the sign “:” shall be substituted; and
  - (ii) after the proviso, the following proviso shall be added, namely:—

“Provided further that where such person makes taxable supplies of goods or services or both from a special category State in respect of which the Central Government has enhanced the aggregate turnover referred to in the first proviso, he shall be liable to be registered if his aggregate turnover in a financial year exceeds the amount equivalent to such enhanced turnover.”;

- (b) in clause (iii) to the Explanation, after the word “Constitution”, the words and signs “except the State of Jammu and Kashmir and States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand” shall be added.

Amendment of section 24 of Haryana Act 19 of 2017.

**12.** In clause (x) of section 24 of the principal Act, after the words “commerce operator”, the words and figures “who is required to collect tax at source under section 52” shall be added.

- 13.** In section 25 of the principal Act,—
- Amendment of  
section 25 of  
Haryana Act 19  
of 2017.
- (a) in sub-section (1),—
- (i) in the proviso, for the sign “.” existing at the end, the sign “:” shall be substituted; and
- (ii) after the proviso, the following proviso shall be added, namely:-  
“Provided further that a person having a unit, as defined in the Special Economic Zones Act, 2005 (Central Act 28 of 2005), in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the Special Economic Zone in the State.”;
- (b) for the proviso to sub-section (2), the following proviso shall be substituted, namely:-  
“Provided that a person having multiple places of business in the State may be granted a separate registration for each such place of business, subject to such conditions, as may be prescribed.”.
- 14.** In section 29 of the principal Act,—
- Amendment of  
section 29 of  
Haryana Act 19  
of 2017.
- (a) in the marginal heading after the word “Cancellation”, the words “or suspension” shall be inserted;
- (b) in sub-section (1),—
- (i) in clause (c), for the sign “.” existing at the end, the sign “:” shall be substituted; and
- (ii) after clause (c), the following proviso shall be added, namely:-  
“Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner, as may be prescribed.”;
- (c) in sub-section (2),-
- (i) in the proviso, for the sign “.” existing at the end, the sign “:” shall be substituted; and
- (ii) after the existing proviso, the following proviso shall be added, namely:-  
“Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.”.
- 15.** In section 34 of the principal Act,-
- Amendment of  
section 34 of  
Haryana Act 19  
of 2017.
- (a) for sub-section (1), the following sub-section shall be substituted, namely:-  
“(1) Where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient one or more credit notes for supplies made in a financial year containing such particulars, as may be prescribed.”;
- (b) for sub-section (3), the following sub-section shall be substituted, namely:-  
“(3) Where one or more tax invoices have been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, who has supplied such goods or services or both, shall issue to the recipient one or more debit notes for supplies made in a financial year containing such particulars, as may be prescribed.”.

Amendment of section 35 of Haryana Act 19 of 2017.

- 16.** In sub-section (5) of section 35 of the principal Act,-
- (i) for the sign “.” existing at the end, the sign “:” shall be substituted; and
  - (ii) the following proviso shall be added, namely:-

“Provided that nothing contained in this sub-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 39 of Haryana Act 19 of 2017.

- 17.** In section 39 of the principal Act,-
- (a) for sub-section (1), the following sub-section 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, in such form, manner and within such time as may be prescribed, 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, as may be prescribed:

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

- (b) in sub-section (7),-
  - (i) for the sign “.” existing at the end, the sign “:” shall be substituted; and
  - (ii) the following proviso shall be added, namely:-

“Provided that the Government may, on the recommendations of the Council, notify certain classes of registered persons who shall pay to the Government the tax due or part thereof as per the return on or before the last date on which he is required to furnish such return, subject to such conditions and safeguards as may be specified therein.”;

- (c) for sub-section (9), the following sub-section shall be substituted, namely:-

“(9) Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in such form and manner, as may be prescribed, subject to payment of interest under this Act:

Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.”.

Insertion of section 43A in Haryana Act 19 of 2017.

- 18.** After section 43 of the principal Act, the following section shall be inserted, namely:-

“43A. Procedure for furnishing return and availing input tax credit.- (1) Notwithstanding anything contained in sub-section (2) of section 16, section 37 or section 38, every registered person shall in the returns furnished under sub-section (1) of section 39 verify, validate, modify or delete the details of supplies furnished by the suppliers.

(2) Notwithstanding anything contained in section 41, section 42 or section 43, the procedure for availing of input tax credit by the recipient and verification thereof shall be such, as may be prescribed.

(3) The procedure for furnishing the details of outward supplies by the supplier on the common portal, for the purposes of availing input tax credit by the recipient shall be such, as may be prescribed.

(4) The procedure for availing input tax credit in respect of outward supplies not furnished under sub-section (3) shall be such, as may be prescribed and such procedure may include the maximum amount of the input tax credit which may be so availed, not exceeding twenty per cent of the input tax credit available, on the basis of details furnished by the suppliers under the said sub-section.

(5) The amount of tax specified in the outward supplies for which the details have been furnished by the supplier under sub-section (3) shall be deemed to be the tax payable by him under the provisions of the Act.

(6) The supplier and the recipient of a supply shall be jointly and severally liable to pay tax or to pay the input tax credit availed, as the case may be, in relation to outward supplies for which the details have been furnished under sub-section (3) or sub-section (4) but return thereof has not been furnished.

(7) For the purposes of sub-section (6), the recovery shall be made in such manner, as may be prescribed and such procedure may provide for non-recovery of an amount of tax or input tax credit wrongly availed not exceeding one thousand rupees.

(8) The procedure, safeguards and threshold of the tax amount in relation to outward supplies, the details of which may be furnished under sub-section (3) by a registered person,-

- (i) within six months of taking registration;
- (ii) who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount,

shall be such, as may be prescribed.”.

**19.** For sub-section (2) of section 48 of the principal Act, the following sub-section shall be substituted, namely:-

“(2) A registered person may authorise an approved goods and services tax practitioner to furnish the details of outward supplies under section 37, the details of inward supplies under section 38 and the return under section 39 or section 44 or section 45 and to perform such other functions, in such manner, as may be prescribed.”.

Amendment of section 48 of Haryana Act 19 of 2017.

**20.** In section 49 of the principal Act,-

- (a) in sub-section (2), for the word and figures “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted;
- (b) in clause (c) of sub-section (5),-
  - (i) for the sign “;”, the sign “:” shall be substituted; and
  - (ii) the following proviso shall be added, namely:-

“Provided that the input tax credit on account of State tax shall be utilized towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;”.

Amendment of section 49 of Haryana Act 19 of 2017.

**21.** After section 49 of the principal Act, the following sections shall be inserted, namely:-

“49A. Utilization of input tax credit subject to certain conditions.— Notwithstanding anything contained in section 49, the input tax credit on account of State tax shall be utilized towards payment of integrated tax or State tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilized fully towards such payment.

Insertion of sections 49A and 49B in Haryana Act 19 of 2017.



49B. Order of utilization of input tax credit.- Notwithstanding anything contained in this Chapter and subject to the provisions of clause (d) and clause (e) of sub-section (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilization of the input tax credit on account of integrated tax, Central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.”.

Amendment of section 52 of Haryana Act 19 of 2017.

22. In sub-section (9) of section 52 of the principal Act, for the word and figures “section 37”, the words and figures “section 37 or section 39” shall be substituted.

Amendment of section 54 of Haryana Act 19 of 2017.

23. In section 54 of the principal Act,—

(a) in sub-section (8), for clause (a), the following clause shall be substituted, namely:—

“(a) refund of tax paid on export of goods or services or both or on inputs or input services used in making such exports;”;

(b) in clause (2) of the Explanation,—

(i) in item (i) of sub-clause (c), after the words “foreign exchange”, the words “or in Indian rupees wherever permitted by the Reserve Bank of India” shall be inserted;

(ii) for sub-clause (e), the following sub-clause shall be substituted, namely:—

“(e) in the case of refund of unutilized input tax credit under clause (ii) of the first proviso to sub-section (3), the due date for furnishing of return under section 39 for the period in which such claim for refund arises;”.

Amendment of section 79 of Haryana Act 19 of 2017.

24. After sub-section (4) of section 79 of the principal Act, the following Explanation shall be added, namely:—

“**Explanation.**— For the purposes of this section, the word person shall include “distinct persons” as referred to in sub-section (4) or sub-section (5) of section 25, as the case may be.”.

Amendment of section 107 of Haryana Act 19 of 2017.

25. In clause (b) of sub-section (6) of section 107 of the principal Act, after the words “arising from the said order,”, the words “subject to a maximum of twenty-five crore rupees,” shall be inserted.

Amendment of section 112 of Haryana Act 19 of 2017.

26. In clause (b) of sub-section (8) of section 112 of the principal Act, after the words “arising from the said order,”, the words “subject to a maximum of fifty crore rupees,” shall be inserted.

Amendment of section 129 of Haryana Act 19 of 2017.

27. In sub-section (6) of section 129 of the principal Act, for the words “seven days” occurring twice, the words “fourteen days” shall be respectively substituted.

Amendment of section 143 of Haryana Act 19 of 2017.

28. In the proviso to clause (b) of sub-section (1) of section 143 of the principal Act,—

(i) for the sign “.” existing at the end, the sign “:.” shall be substituted; and

(ii) after the proviso, the following proviso shall be added, namely:—

“Provided further that the period of one year and three years may, on sufficient cause being shown, be extended by the Commissioner for a further period not exceeding one year and two years respectively.”.

Amendment of Schedule I to Haryana Act 19 of 2017.

29. In Schedule I to the principal Act, in paragraph 4, the word “taxable” shall be omitted.

- 30.** In Schedule II to the principal Act, in the heading, after the word “ACTIVITIES”, the words “OR TRANSACTIONS” shall be inserted and shall be deemed to have been inserted with effect from the 1st July, 2017. Amendment of Schedule II to Haryana Act 19 of 2017.
- 31.** In Schedule III to the principal Act,— Amendment of Schedule III to Haryana Act 19 of 2017.
- (i) after paragraph 6, the following paragraphs shall be inserted, namely:—
- “7. Supply of goods from a place outside India to another place outside India without such goods entering into India.
8. (a) Supply of warehoused goods to any person before clearance for home consumption;
- (b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.”;
- (ii) The Explanation shall be numbered as Explanation 1 and after Explanation 1 as so numbered, the following Explanation shall be added, namely:—
- “Explanation 2.—** For the purposes of paragraph 8, the expression “warehoused goods” shall have the same meaning as assigned to it in the Customs Act, 1962 (Central Act 52 of 1962).”.

KULDIP JAIN,  
Secretary to Government Haryana,  
Law and Legislative Department.