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GOVERNMENT OF ARUNACHAL PRADESH
LAW,LEGISLATIVE AND JUSTICE DEPARTMENT
CIVIL SECRETARIAT
ITANAGAR

NOTIFICATION

The 7th April, 2025

No. Law/Legn-2/2025.—The following Act of the Arunachal Pradesh Legislative Assembly which was passed in the Fourth Session of the Eighth Legislative Assembly and received the assent of the Governor of Arunachal Pradesh is hereby published for general information.

(Received the assent of the Governor on 4th April, 2025)

THE ARUNACHAL PRADESH GOODS AND SERVICES TAX (AMENDMENT) ACT, 2025
(Act No. 5 of 2025)

An

Act

further to amend the Arunachal Pradesh Goods and Services Tax Act, 2017, (Act No. 7 of 2017).

Preamble. Whereas, it is expedient to amend the Arunachal Pradesh Goods and Services Tax Act, 2017, (Act No. 7 of 2017) (hereinafter referred to as the principal Act), in the manner hereinafter appearing;

Be it enacted by the Legislative Assembly of Arunachal Pradesh in the Seventy-sixth Year of the Republic of India as follows:-

Short title, extent and commencement.

1. (1) This Act may be called the Arunachal Pradesh Goods and Services Tax (Amendment) Act, 2025.

(2) It extends to the whole of Arunachal Pradesh.

(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:

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 principal Act, in Section 2, for clause (61), the following clause 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 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 person referred to Section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in Section 20;

Amendment of Section 9.

3. In the Principal Act, in Section 9, in sub-section (1), after the words "alcoholic liquor for human consumption", the words "and un -denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption" shall be inserted.

4. In the Principal Act, in Section 10, in sub-section (5), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted. Amendment of Section 10.

5. In the Principal Act, after Section 11, the following section shall be inserted, namely:- Insertion of new Section 11A

"11A. Notwithstanding anything contained in this Act, if the Government is satisfied that- Power not to recover Goods and Services Tax not levied as a result of general practice.

(a) a practice was, or is, generally prevalent regarding levy of state tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to,-

(i) state tax, in cases where according to the said practice, state tax was not, or is not being, levied, or

(ii) a higher amount of state tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the state tax payable on such supplies, or, as the case may be, the state tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the state tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice".

6. In the Principal Act, in Section 13, in sub-section (3),- Amendment of Section 13.

(i) in clause (b), for the words "by the supplier", the words "by the supplier, in cases where invoice is required to be issued by the supplier; or" shall be substituted;

(ii) after clause (b), the following clause shall be inserted, namely:-

"(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:";

(iii) in the first proviso, after the words, brackets and letter "or clause (b)", the words, brackets and letter "or clause (c)" shall be inserted.

7. In the Principal Act, in Section 16, with effect from the 1st day of July, 2017, after sub-section (4), the following sub-sections shall be inserted, namely:- Amendment of Section 16.

"(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under Section 39 which is filed up to the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under Section 29 and subsequently the cancellation of registration is revoked by any order, either under Section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under Section 39,-

(i) filed up to thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration, whichever is later".

8. In the Principal Act, in Section 17, in sub-section (5), in clause (i), for the words and figures "Sections 74, 129 and 130", the words and figures "Section 74 in respect of any period up to Financial Year 2023-24" shall be substituted. Amendment of Section 17.

Substitution of Section 20.

9. In the Principal Act, for Section 20, the following section shall be substituted, namely:-

Manner of distribution of credit by Input Service Distributor

"20. (1) any office of the supplier 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.

(2) The input service distributor shall distribute the credit of state tax or integrated tax charged on invoices received by him, including the credit of state or integrated 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 restriction and conditions as may be prescribed.

(3) The credit of state tax shall be distributed as state tax or integrated tax and integrated tax as integrated tax or state tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed".

Amendment of Section 21.

10. In the Principal Act, in Section 21, after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted.

Amendment of Section 30.

11. In the Principal Act, in Section 30,in sub-section (2), after the proviso, the following proviso shall be inserted, namely: -

"Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed".

Amendment of Section 31.

12. In the Principal Act, in Section 31,--

(a) in sub-section (3), in clause (f), after the words and figure "of Section 9 shall", the words", within the period as may be prescribed," shall be inserted;

(b) after clause (g), the following Explanation shall be inserted, namely:-

'*Explanation.* -For the purposes of clause (f), the expression "supplier who is not registered" shall include the supplier who is registered solely for the purpose of deduction of tax under Section 51'.

Amendment of Section 35.

13. In the Principal Act, in Section 35, in sub-section (6), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted.

Amendment of Section 39.

14. In the Principal Act, in Section 39, in sub-section (3), the following sub-section shall be substituted, namely:-

"(3) Every registered person required to deduct tax at source under Section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month".

Amendment of Section 49.

15. In the Principal Act, in Section 49, in sub-section (8), in clause (c), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted.

Amendment of Section 50.

16. In the Principal Act, in Section 50, in sub-section (1), in the proviso, after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted.

Amendment of Section 51.

17. In the Principal Act, in Section 51, in sub-section (7), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted.

Amendment of Section 54.

18. In the Principal Act, in Section 54,-

(a) in sub-section (3), the Second proviso shall be omitted;

(b) after sub-section (14) and before the Explanation, the following sub-Section shall be inserted, namely:-

"(15) Notwithstanding anything contained in this Section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty".

19. In the Principal Act, in Section 61, in sub-section (3), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted. — Amendment of Section 61.

20. In the Principal Act, in Section 62, in sub-section (1), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted. — Amendment of Section 62.

21. In the Principal Act, in Section 63, after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted. — Amendment of Section 63.

22. In the Principal Act, in Section 64, in sub-section (2), after the words Section74A" shall be inserted. — Amendment of Section 64.

23. In the Principal Act, in Section 65, in sub-section (7), after the words and figures "Section 73 or section 74", the words, figures and letter "or Section 74A" shall be inserted. — Amendment of Section 65.

24. In the Principal Act, in section 66, in sub-section (6), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted. — Amendment of Section 66.

25. In the Principal Act, in Section 70, after sub-section (1), the following sub-section shall be inserted, namely:- — Amendment of Section 70.

"(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required".

26. In the Principal Act, in Section 73,- — Amendment of Section 73.

(i) in the marginal heading, after the words "Determination of tax", the words and figures "pertaining to the period up to Financial Year 2023-24", shall be inserted;

(ii) after sub-section (11), the following sub-section shall be inserted, namely:-

"(12) The provisions of this section shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24".

27. In the Principal Act, in Section 74,- — Amendment of Section 74.

(i) in the marginal heading, after the words "Determination of tax", the words and figures", pertaining to the period up to Financial Year 2023-24", shall be inserted ;

(ii) after sub-section (11) and before Explanation 1, the following sub-section shall be inserted, namely :-

"(12) The provisions of this section shall be applicable for determination of tax pertaining to the period up to Financial Year 2023-24".

(iii) the Explanation 2 shall be omitted.

28. In the Principal Act, after Section 74, the following section shall be inserted, namely:- — Insertion of new Section 74A

"74A. (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under Section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder: — Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onward.

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

(2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,-

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten percent of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub-section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of State Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, may,-

(i) before service or notice under sub-section (1), pay the amount of tax along with interest payable under Section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not-serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under Section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,-

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under Section 50 and a penalty equivalent to fifteen percent of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under Section 50 and a penalty equivalent to twenty-five percent of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under Section 50 and a penalty equivalent to fifty percent of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.

(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

Explanation 1.- For the purposes of this Section,-

(i) the expression "all proceedings in respect of the said notice" shall not include proceedings under Section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under Sections 122 and 125 are deemed to be concluded.

Explanation 2.--For the purposes of this Act, the expression "suppression" shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.

29. In the Principal Act, in Section 75,- Amendment of Section 75.

(a) in sub-section (1), after the word and figures "Section 74", the words, brackets, figures and letter "or sub-sections (2) and (7) of Section 74A" shall be inserted;

(b) after sub-section (2), the following sub-section shall be inserted, namely:-

"(2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause (ii) of sub-section (5) of Section 74A is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of Section 74A";

(c) for sub-section (10), the following sub-section shall be substituted, namely:-

"(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of Section 73 or in sub-section (10) of Section 74 or in sub-section (7) of Section 74A".

(d) in sub-section (11), after the word and figures "Section 74", the words, brackets, figures and letter "or sub-section (7) of Section 74A" shall be inserted;

(e) in sub-section (12), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted;

(f) in sub-section (13), after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted.

Amendment of Section 104.

30. In the Principal Act, in Section 104, in sub-section (1), in the Explanation, after the word and figures "Section 74", the words, brackets, figures and letter "or sub-section (2) and (7) of Section 74A" shall be inserted.

Amendment of Section 107.

31. In the Principal Act, in Section 107, -

(a) in sub-section (6), in clause (b), for the word "twenty-five", the word "twenty" shall be substituted;

(b) in sub-section (11), in the second proviso, after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted.

Amendment of Section 109.

32. In the Principal Act, in Section 109, --

(a) in sub-section (1), after the words "Revisional Authority", the words", or for conducting an examination or adjudicating the cases referred to in sub-section (2) of Section 171, if so notified under the said section" shall be inserted;

Amendment of Section 112.

33. In the Principal Act, in Section 112, -

(a) with effect from the 1st day of August, 2024, in sub-section (1), after the words "from the date on which the order sought to be appealed against is communicated to the person preferring the appeal", the words", or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later", shall be inserted;

(b) with effect from the 1st day of August, 2024, in sub-section (3), after the words "from the date on which the said order has been passed", the words", or the date, as may be notified by the Government, on the recommendations of the Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later", shall be inserted;

(c) in sub-section (6), after the words, brackets and figure "after the expiry of the period referred to in sub-section (1)", the words, brackets and figure "or permit the filing of an application within three months after the expiry of the period referred to in sub-section (3)" shall be inserted;

(d) in sub-section (8), in clause (b),-

(i) for the words "twenty percent", the words "ten percent" shall be substituted;

(ii) for the words "fifty crore rupees", the words "twenty crore rupees" shall be substituted.

Amendment of Section 122.

34. In the Principal Act, in Section 122, with effect from the 1st day of October, 2023, in sub-section (1B), for the words "Any electronic commerce operator who", the words and figures "Any electronic commerce operator, who is liable to collect tax at source under Section 52", shall be substituted.

Insertion new Section 122A.

35. In the Principal Act, after Section 122, the following 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 provision of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machines not so registered.

(2) In addition to the penalty under sub-section (1),every machine not so registered shall be liable to 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.

36. In the Principal Act, in Section 127, after the words and figures "Section 73 or Section 74", the words, figures and letter "or Section 74A" shall be inserted. Amendment of Section 127.

37. In the Principal Act, after Section 128, the following section shall be inserted, namely: - Insertion of new Section 128A.

"128A. (1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with,- Waiver of interest or penalty or both relating to demands raised under Section 73, for certain tax periods.

(a) a notice issued under sub-section (1) of Section 73 or a statement issued under sub-section (3) of Section 73, and where no order under sub-section (9) of Section 73 has been issued; or

(b) an order passed under sub-section (9) of Section 73, and where no order under sub-section (11) of Section 107 or sub-section (1) of Section 108 has been passed; or

(c) an order passed under sub-section (11) of Section 107 or sub-section (1) of Section 108, and where no order under sub-section (1) of Section 113 has been passed, pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof, and the said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be, on or before the date, as may be notified by the Government on the recommendations of the Council, no interest under Section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed:

Provided that where a notice has been issued under sub-section (1) of Section 74, and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court in accordance with the provisions of sub-section (2) of Section 75, the said notice or order shall be considered to be a notice or order, as the case may be, referred to in clause (a) or clause (b) of this sub-section:

Provided further that the conclusion of the proceedings under this sub-section, in cases where an application is filed under sub-section (3) of Section 107 or under sub-section (3) of Section 112 or an appeal is filed by an officer of state tax under sub-section (1) of Section 117 or under sub-section (1) of Section 118 or where any proceedings are initiated under sub-section (1) of Section 108, against an order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the court or the Revisional Authority, as the case may be, within three months from the date of the said order:

Provided also that where such interest and penalty has already been paid, no refund of the same shall be available.

(2) Nothing contained in sub-section (1) shall be applicable in respect of any amount payable by the person on account of erroneous refund.

(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before Appellate Authority or Appellate Tribunal or a court, as the case may be, and has not been withdrawn by the said person on or before the date notified under sub-section (1).

(4) Notwithstanding anything contained in this Act, where any amount specified under sub-section (1) has been paid and the proceedings are deemed to be concluded under the said sub-section, no appeal under sub-section (1) of Section 107 or sub-section (1) of Section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be".

Amendment of Section 140.

38. In the Principal Act, in Section 140,with effect from the 1st day of July, 2017, in sub-section (7), for the words "even if the invoices relating to such services are received on or after the appointed day", the words "whether the invoices relating to such services are received prior to, on or after, the appointed day" shall be substituted.

Amendment of Section 171.

39. In the Principal Act, in Section 171,-

(a) in sub-section (2), the following proviso and Explanation shall be inserted, namely:-

'Provided that the Government may by notification, on the recommendations of the Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

Explanation.-For the purposes of this sub-section, "request for examination" shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.';

(b) the Explanation shall be renumbered as Explanation 1 thereof, and after Explanation 1 as so renumbered, the Explanation shall be inserted, namely:-

'Explanation 2.- For the purposes of this section, the expression "Authority" shall include the "Appellate Tribunal".

Amendment of Schedule-III.

40. In the Principal Act, in Schedule III, after paragraph 8 and before Explanation 1, the following paragraphs shall be inserted, namely:-

"9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission".

No refund of tax paid or input tax credit reversed.

41. No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had Section 118 been in force at all material times.

Yashpal Garg, IAS
Commissioner to the
Government of Arunachal Pradesh,
Itanagar.

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