THE CENTRAL GOODS AND SERVICES TAX ACT, 2017

(Act 12 of 2017, dt. 12-4-2017)

As amended by

The Finance Act, 2026 (Act No. 4 of 2026), dt. 30-03-2026, w.e.f. 1-11-2026

An Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

CHAPTER I
PRELIMINARY

[1]1. Short title, extent and commencement

(1) This Act may be called the Central Goods and Services Tax Act, 2017.

(2) It extends to the whole of India [2][xxx].

(3) It shall come into force on such date[3] as the Central 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.

[1]2. Definitions

In this Act, unless the context otherwise requires,—

(1) "actionable claim" shall have the same meaning as assigned to it in section 3 of the Transfer of Property Act, 1882 (4 of 1882);

(2) "address of delivery" means the address of the recipient of goods or services or both indicated on the tax invoice issued by a registered person for delivery of such goods or services or both;

(3) "address on record" means the address of the recipient as available in the records of the supplier;

(4) "adjudicating authority" means any authority, appointed or authorised to pass any order or decision under this Act, but does not

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1 Enforced w.e.f. 22-6-2017 vide Noti. No. 1/2017-Central Tax, dt. 19-6-2017.

2 Words "except the State of Jammu and Kashmir" omitted by CGST (Extension to Jammu and Kashmir) Act, 2017 (26 of 2017), dt. 23-8-2017, w.r.e.f. 8-7-2017.

3 Provisions of sections 1, 2, 3, 4, 5, 10, 22, 23, 24, 25, 26, 27, 28, 29, 30, 139, 146 and 164 are Enforced w.e.f. 22-6-2017, ibid.
The provisions of sections 6 to 9, 11 to 21, 31 to 41, 42 except the proviso to sub-section (9) of section 42, 43 except the proviso to sub-section (9) of section 43, 44 to 50, 53 to 138, 140 to 145, 147 to 163, 165 to 174 are Enforced w.e.f. 1-7-2017 vide Noti. No. 9/2017-Central Tax, dt. 28-6-2017.

include [1][Central Board of Indirect Taxes and Customs], the Revisional Authority, the Authority for Advance Ruling, the Appellate Authority for Advance Ruling, [2][the National Appellate Authority for Advance Ruling,] [3][the Appellate Authority, the Appellate Tribunal and the Authority referred to in sub-section (2) of section 171];

(5) "agent" means a person, including a factor, broker, commission agent, *arhatia, del credere* agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another;

(6) "aggregate turnover" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes Central tax, State tax, Union territory tax, integrated tax and cess;

(7) "agriculturist" means an individual or a Hindu Undivided Family who undertakes cultivation of land—

(a) by own labour, or

(b) by the labour of family, or

(c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family;

(8) "Appellate Authority" means an authority appointed or authorised to hear appeals as referred to in section 107;

(9) "Appellate Tribunal" means the Goods and Services Tax Appellate Tribunal constituted under section 109;

(10) "appointed day" means the date on which the provisions of this Act shall come into force;

(11) "assessment" means determination of tax liability under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment;

(12) "associated enterprises" shall have the same meaning as assigned to it in section 92A of the Income-tax Act, 1961 (43 of 1961);

(13) "audit"means the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder;

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1. Substituted for "Central Board of Excise and Customs" by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019.
2. Inserted by the Finance (No. 2) Act, 2019 (23 of 2019), dt. 1-8-2019.
3. Substituted for "the Appellate Authority and the Appellate Tribunal" by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019.

(14) "authorised bank" shall mean a bank or a branch of a bank authorised by the Government to collect the tax or any other amount payable under this Act;

(15) "authorised representative" means the representative as referred to in section 116;

(16) "Board" means the [1][Central Board of Indirect Taxes and Customs] constituted under the Central Boards of Revenue Act, 1963 (54 of 1963);

(17) "business" includes—

(a) any trade, commerce, manufacture, profession, vocation, adventure, wager or any other similar activity, whether or not it is for a pecuniary benefit;

(b) any activity or transaction in connection with or incidental or ancillary to sub-clause (a);

(c) any activity or transaction in the nature of sub-clause (a), whether or not there is volume, frequency, continuity or regularity of such transaction;

(d) supply or acquisition of goods including capital goods and services in connection with commencement or closure of business;

(e) provision by a club, association, society, or any such body (for a subscription or any other consideration) of the facilities or benefits to its members;

(f) admission, for a consideration, of persons to any premises;

(g) services supplied by a person as the holder of an office which has been accepted by him in the course or furtherance of his trade, profession or vocation;

[2][(h) activities of a race club including by way of totalisator or a license to book maker or activities of a licensed book maker in such club; and]

(i) any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities;

[3][xxx]

1 Substituted for "Central Board of Excise and Customs" by Finance Act, 2018 (Act 13 of 2018), dt. 29-3-2018.

2 Substituted by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019. Prior to substitution, sub-clause (h) read as under:
"(h) services provided by a race club by way of totalisator or a licence to book maker in such club; and"

3. Omitted, ibid. Prior to omission, clause (18) read as under:
"(18) "business vertical" means a distinguishable component of an enterprise that is engaged in the supply of individual goods or services or a group of related goods or services which is subject to risks and returns that are different from those of the other business verticals.
Explanation : For the purposes of this clause, factors that should be considered in determining whether goods or services are related include—
(a) the nature of the goods or services;
(b) the nature of the production processes;
(c) the type or class of customers for the goods or services;
(d) the methods used to distribute the goods or supply of services; and
(e) the nature of regulatory environment (wherever applicable), including banking, insurance, or public utilities;"

(19) "capital goods" means goods, the value of which is capitalised in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business;

(20) "casual taxable person" means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business;

(21) "central tax" means the central goods and services tax levied under section 9;

(22) "cess" shall have the same meaning as assigned to it in the Goods and Services Tax (Compensation to States) Act;

(23) "chartered accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949);

(24) "Commissioner" means the Commissioner of central tax and includes the Principal Commissioner of central tax appointed under section 3 and the Commissioner of integrated tax appointed under the Integrated Goods and Services Tax Act;

(25) "Commissioner in the Board" means the Commissioner referred to in section 168;

(26) "common portal" means the common goods and services tax electronic portal referred to in section 146;

(27) "common working days" in respect of a State or Union territory shall mean such days in succession which are not declared as gazetted holidays by the Central Government or the concerned State or Union territory Government;

(28) "company secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980);

(29) "competent authority" means such authority as may be notified by the Government;

(30) "composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

Illustration : Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;

(31) "consideration" in relation to the supply of goods or services or both includes—

(a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;

(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:

PROVIDED that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply;

(32) "continuous supply of goods" means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify;

(33) "continuous supply of services" means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify;

(34) "conveyance" includes a vessel, an aircraft and a vehicle;

(35) "cost accountant" means a cost accountant as defined in [1][clause (b)] of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959);

(36) "Council" means the Goods and Services Tax Council established under article 279A of the Constitution;

(37) "credit note" means a document issued by a registered person under sub-section (1) of section 34;

(38) "debit note" means a document issued by a registered person under sub-section (3) of section 34;

(39) "deemed exports" means such supplies of goods as may be notified under section 147;

(40) "designated authority" means such authority as may be notified by the Board;

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1 Substituted for "clause (c)" by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019.

(41) "document" includes written or printed record of any sort and electronic record as defined in clause (t) of section 2 of the Information Technology Act, 2000 (21 of 2000);

(42) "drawback" in relation to any goods manufactured in India and exported, means the rebate of duty, tax or cess chargeable on any imported inputs or on any domestic inputs or input services used in the manufacture of such goods;

(43) "electronic cash ledger" means the electronic cash ledger referred to in sub-section (1) of section 49;

(44) "electronic commerce" means the supply of goods or services or both, including digital products over digital or electronic network;

(45) "electronic commerce operator" means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce;

(46) "electronic credit ledger" means the electronic credit ledger referred to in sub-section (2) of section 49;

(47) "exempt supply" means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply;

(48) "existing law" means any law, notification, order, rule or regulation relating to levy and collection of duty or tax on goods or services or both passed or made before the commencement of this Act by Parliament or any Authority or person having the power to make such law, notification, order, rule or regulation;

(49) "family" means,—

(i) the spouse and children of the person, and

(ii) the parents, grand-parents, brothers and sisters of the person if they are wholly or mainly dependent on the said person;

(50) "fixed establishment" means a place (other than the registered place of business) which is characterised by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services, or to receive and use services for its own needs;

(51) "Fund" means the Consumer Welfare Fund established under section 57;

(52) "goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;

(53) "Government" means the Central Government;

(54) "Goods and Services Tax (Compensation to States) Act" means the Goods and Services Tax (Compensation to States) Act, 2017;

(55) "goods and services tax practitioner" means any person who has been approved under section 48 to act as such practitioner;

(56) "India" means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976), and the air space above its territory and territorial waters;

(57) "Integrated Goods and Services Tax Act" means the Integrated Goods and Services Tax Act, 2017;

(58) "integrated tax" means the integrated goods and services tax levied under the Integrated Goods and Services Tax Act;

(59) "input" means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business;

(60) "input service" means any service used or intended to be used by a supplier in the course or furtherance of business;

[1][(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 [2][of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017)], 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;]

(62) "input tax" in relation to a registered person, means the Central tax, State tax, integrated tax or Union territory tax charged on any supply of goods or services or both made to him and includes—

(a) the integrated goods and services tax charged on import of goods;

(b) the tax payable under the provisions of sub-sections (3) and (4) of section 9;

(c) the tax payable under the provisions of sub-sections (3) and (4) of section 5 of the Integrated Goods and Services Tax Act;

(d) the tax payable under the provisions of sub-sections (3) and (4) of section 9 of the respective State Goods and Services Tax Act; or

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1. Substituted by Finance Act, 2024 (8 of 2024), dt. 15.2.2024, w.e.f. 1-4-2025 vide notification no. 16/2024-Central Tax, dt. 6-8-2024. Prior to substitution, clause (61) read as under:
(61) "Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of Central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office;"

2. Inserted **w.e.f. 1-4-2025** by Finance Act, 2025 (Act No. 7 of 2025), dt. 29-3-2025.

(e) the tax payable under the provisions of sub-sections (3) and (4) of section 7 of the Union Territory Goods and Services Tax Act,

but does not include the tax paid under the composition levy;

(63) "input tax credit" means the credit of input tax;

(64) "intra-State supply of goods" shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;

(65) "intra-State supply of services" shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;

(66) "invoice" or "tax invoice" means the tax invoice referred to in section 31;

(67) "inward supply" in relation to a person, shall mean receipt of goods or services or both whether by purchase, acquisition or any other means with or without consideration;

(68) "job work" means any treatment or process undertaken by a person on goods belonging to another registered person and the expression "job worker" shall be construed accordingly;

(69) "local authority" means—

(a) a "Panchayat" as defined in clause (d) of article 243 of the Constitution;

(b) a "Municipality" as defined in clause (e) of article 243P of the Constitution;

(c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal [1][fund] or local fund;

[2][*Explanation:* For the purposes of this sub-clause–

(a) "local fund" means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;

(b) "municipal fund" means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called;]

(d) a Cantonment Board as defined in section 3 of the Cantonments Act, 2006 (41 of 2006);

1 Inserted by Finance Act, 2025 (Act No. 7 of 2025), dt. 29-03-2025, **w.e.f. 01-10-2025** vide SO 4206(E), dt. 17-9-2025.

2 Inserted, ibid.

(e) a Regional Council or a District Council constituted under the Sixth Schedule to the Constitution;

(f) a Development Board constituted under article 371 [1][and article 371J] of the Constitution; or

(g) a Regional Council constituted under article 371A of the Constitution;

(70) "location of the recipient of services" means,—

(a) where a supply is received at a place of business for which the registration has been obtained, the location of such place of business;

(b) where a supply is received at a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;

(c) where a supply is received at more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the receipt of the supply; and

(d) in absence of such places, the location of the usual place of residence of the recipient;

(71) "location of the supplier of services" means,—

(a) where a supply is made from a place of business for which the registration has been obtained, the location of such place of business;

(b) where a supply is made from a place other than the place of business for which registration has been obtained (a fixed establishment elsewhere), the location of such fixed establishment;

(c) where a supply is made from more than one establishment, whether the place of business or fixed establishment, the location of the establishment most directly concerned with the provisions of the supply; and

(d) in absence of such places, the location of the usual place of residence of the supplier;

(72) "manufacture" means processing of raw material or inputs in any manner that results in emergence of a new product having a distinct name, character and use and the term "manufacturer" shall be construed accordingly;

(73) "market value" shall mean the full amount which a recipient of a supply is required to pay in order to obtain the goods or services or both of like kind and quality at or about the same time and at the same commercial level where the recipient and the supplier are not related;

(74) "mixed supply" means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each

1 Inserted by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019.

other by a taxable person for a single price where such supply does not constitute a composite supply.

Illustration *:* A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drinks and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately;

(75) "money" means the Indian legal tender or any foreign currency, cheque, promissory note, bill of exchange, letter of credit, draft, pay order, traveller cheque, money order, postal or electronic remittance or any other instrument recognised by the Reserve Bank of India when used as a consideration to settle an obligation or exchange with Indian legal tender of another denomination but shall not include any currency that is held for its numismatic value;

(76) "motor vehicle" shall have the same meaning as assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988);

(77) "non-resident taxable person" means any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India;

(78) "non-taxable supply" means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act;

(79) "non-taxable territory" means the territory which is outside the taxable territory;

(80) "notification" means a notification published in the Official Gazette and the expressions "notify" and "notified" shall be construed accordingly;

[1][(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;]

(81) "other territory" includes territories other than those comprising in a State and those referred to in sub-clauses (a) to (e) of clause (114);

(82) "output tax" in relation to a taxable person, means the tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;

1. Inserted by the CGST (Amdt.) Act, 2023 (30 of 2023), dt. 18-8-2023, w.e.f. 1-10-2023 vide Noti. No. 48/2023-Central Tax, dt. 29-9-2023.

(83) "outward supply" in relation to a taxable person, means supply of goods or services or both, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business;

(84) "person" includes—

(a) an individual;

(b) a Hindu Undivided Family;

(c) a company;

(d) a firm;

(e) a Limited Liability Partnership;

(f) an association of persons or a body of individuals, whether incorporated or not, in India or outside India;

(g) any corporation established by or under any Central Act, State Act or Provincial Act or a Government company as defined in clause (45) of section 2 of the Companies Act, 2013 (18 of 2013);

(h) any body corporate incorporated by or under the laws of a country outside India;

(i) a co-operative society registered under any law relating to co-operative societies;

(j) a local authority;

(k) Central Government or a State Government;

(l) society as defined under the Societies Registration Act, 1860 (21 of 1860);

(m) trust; and

(n) every artificial juridical person, not falling within any of the above;

(85) "place of business" includes—

(a) a place from where the business is ordinarily carried on, and includes a warehouse, a godown or any other place where a taxable person stores his goods, supplies or receives goods or services or both; or

(b) a place where a taxable person maintains his books of account; or

(c) a place where a taxable person is engaged in business through an agent, by whatever name called;

(86) "place of supply" means the place of supply as referred to in Chapter V of the Integrated Goods and Services Tax Act;

(87) "prescribed" means prescribed by rules made under this Act on the recommendations of the Council;

(88) "principal" means a person on whose behalf an agent carries on the business of supply or receipt of goods or services or both;

(89) "principal place of business" means the place of business specified as the principal place of business in the certificate of registration;

(90) "principal supply" means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary;

(91) "proper officer" in relation to any function to be performed under this Act, means the Commissioner or the officer of the Central tax who is assigned that function by the Commissioner in the Board;

(92) "quarter" shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year;

(93) "recipient" of supply of goods or services or both, means—

(a) where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;

(b) where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and

(c) where no consideration is payable for the supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied;

(94) "registered person" means a person who is registered under section 25 but does not include a person having a Unique Identity Number;

(95) "regulations" means the regulations made by the Board under this Act on the recommendations of the Council;

(96) "removal" in relation to goods, means—

(a) despatch of the goods for delivery by the supplier thereof or by any other person acting on behalf of such supplier; or

(b) collection of the goods by the recipient thereof or by any other person acting on behalf of such recipient;

(97) "return" means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder;

(98) "reverse charge" means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act;

(99) "Revisional Authority" means an authority appointed or authorised for revision of decision or orders as referred to in section 108;

(100) "Schedule" means a Schedule appended to this Act;

(101) "securities" shall have the same meaning as assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

(102) "services" means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;

[1][*Explanation* : For the removal of doubts, it is hereby clarified that the expression "services" includes facilitating or arranging transactions in securities;]

[2][(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;]

(103) "State" includes a Union territory with Legislature;

(104) "State tax" means the tax levied under any State Goods and Services Tax Act;

(105) "supplier" in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied:

[2][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;]

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1 Inserted by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019.

2. Inserted by the CGST (Amdt.) Act, 2023 (30 of 2023), dt. 18-8-2023, w.e.f. 1-10-2023 vide Noti. No. 48/2023-Central Tax, dt. 29-9-2023.

(106) "tax period" means the period for which the return is required to be furnished;

(107) "taxable person" means a person who is registered or liable to be registered under section 22 or section 24;

(108) "taxable supply" means a supply of goods or services or both which is leviable to tax under this Act;

(109) "taxable territory" means the territory to which the provisions of this Act apply;

(110) "telecommunication service" means service of any description (including electronic mail, voice mail, data services, audio text services, video text services, radio paging and cellular mobile telephone services) which is made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature, by wire, radio, visual or other electro-magnetic means;

(111) "the State Goods and Services Tax Act" means the respective State Goods and Services Tax Act, 2017;

(112) "turnover in State" or "turnover in Union territory" means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes Central tax, State tax, Union territory tax, integrated tax and cess;

(113) "usual place of residence" means—

(a) in case of an individual, the place where he ordinarily resides;

(b) in other cases, the place where the person is incorporated or otherwise legally constituted;

(114) "Union territory" means the territory of—

(a) the Andaman and Nicobar Islands;

(b) Lakshadweep;

[1][(c) Dadra and Nagar Haveli and Daman and Diu;

1. Substituted by the Finance Act, 2020 (12 of 2020), dt. 27-3-2020, w.e.f. 30-6-2020 vide Noti. No. 49/2020-CT. dt. 24-6-2020. Prior to substitution, clauses (c) and (d) read as under:
"(c) Dadra and Nagar Haveli and Daman and Diu;
(d) xxx;"
Union territory of Dadra and Nagar Haveli and Daman and Die (Scope of Enforcement)
(i) In section (2), in clause (114), in sub-clause (c), after the words "Nagar Haveli", insert "and Daman and Diu"
(ii) Omit sub-clause (d)—Vide Regulation 2 of 2020, w.e.f. 26-1-2020.
Union territory of Jammu and Kashmir (Scope of Enforcement)
(i) In section 2, in clause (114), in sub-clause (e), omit "and"
(ii) After sub-clause (e), insert the following clause, namely:—
"(e) Ladakh; and"—Vide SO 1123(E), dt. 18-3-2020, w.e.f. 18-3-2020.
Union territory of Ladakh (Scope of Enforcement)
(i) In section 2, in clause (114), in sub-clause (e), omit "and"
(ii) After sub-clause (e), insert the following sub-clause, namely:—
"(ea) Ladakh; and"—Vide SO 3774(E), dt. 23-10-2020, w.e.f. 23-10-2020.

(d) Ladakh];
(e) Chandigarh; and
(f) other territory.

Explanation : For the purposes of this Act, each of the territories specified in sub-clauses (a) to (f) shall be considered to be a separate Union territory;

(115) "Union territory tax" means the Union territory goods and services tax levied under the Union Territory Goods and Services Tax Act;

(116) "Union Territory Goods and Services Tax Act" means the Union Territory Goods and Services Tax Act, 2017;

[1][(116A) "unique identification marking" means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable];

(117) "valid return" means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full;

[2][(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 (43 of 1961);]

(118) "voucher" means an instrument where there is an obligation to accept it as consideration or part consideration for a supply of goods or services or both and where the goods or services or both to be supplied or the identities of their potential suppliers are either indicated on the instrument itself or in related documentation, including the terms and conditions of use of such instrument;

(119) "works contract" means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract;

(120) words and expressions used and not defined in this Act but defined in the Integrated Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act shall have the same meaning as assigned to them in those Acts;

(121)[3] any reference in this Act to a law which is not in force in the State of Jammu and Kashmir, shall, in relation to that State be construed as a reference to the corresponding law, if any, in force in that State.

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1. Inserted by Finance Act, 2025 (Act No. 7 of 2025), dt. 29-3-2025, **w.e.f. 01-10-2025** vide SO 4206(E), dt. 17-9-2025.
2. Inserted by the CGST (Amdt.) Act, 2023 (30 of 2023), dt. 18-8-2023, w.e.f. 1-10-2023 vide Noti. No. 48/2023-Central Tax, dt. 29-9-2023.
3. Union Territory of Jammu and Kashmir (Scope of Enforcement)—in section 2, omit clause (121) vide SO 1123(E), dt. 18-3-2020, w.e.f. 18-3-2020.

CHAPTER II
ADMINISTRATION

[1]3. Officers under this Act

The Government shall, by notification, appoint the following classes of officers for the purposes of this Act, namely:—

(a) Principal Chief Commissioners of Central Tax or Principal Directors General of Central Tax,

(b) Chief Commissioners of Central Tax or Directors General of Central Tax,

(c) Principal Commissioners of Central Tax or Principal Additional Directors General of Central Tax,

(d) Commissioners of Central Tax or Additional Directors General of Central Tax,

(e) Additional Commissioners of Central Tax or Additional Directors of Central Tax,

(f) Joint Commissioners of Central Tax or Joint Directors of Central Tax,

(g) Deputy Commissioners of Central Tax or Deputy Directors of Central Tax,

(h) Assistant Commissioners of Central Tax or Assistant Directors of Central Tax, and

(i) any other class of officers as it may deem fit:

PROVIDED that the officers appointed under the Central Excise Act, 1944 (1 of 1944) shall be deemed to be the officers appointed under the provisions of this Act.

COMMENTS

This section provides for appointment of Commissioners and other class of officers as may be required for carrying out the purposes of this Act. However, the officers appointed under the Central Excise Act, 1944 shall be deemed to be the officers appointed under this Act.

[1]4. Appointment of officers

(1) The Board may, in addition to the officers as may be notified by the Government under section 3, appoint such persons as it may think fit to be the officers under this Act.

(2) Without prejudice to the provisions of sub-section (1), the Board may, by order, authorise any officer referred to in clauses (a) to (h) of section 3 to appoint officers of central tax below the rank of Assistant Commissioner of central tax for the administration of this Act.

COMMENT

The Board may appoint and authorise any officer to appoint officers of Central tax below the rank of Assistant Commissioner of Central tax for the administration of this Act.

1. Enforced w.e.f. 22-6-2017 vide Noti. No. 1/2017-Central Tax, dt. 19-6-2017.

[1]5. Powers of officers

(1) Subject to such conditions and limitations as the Board may impose, an officer of central tax may exercise the powers and discharge the duties conferred or imposed on him under this Act.

(2) An officer of central tax may exercise the powers and discharge the duties conferred or imposed under this Act on any other officer of central tax who is subordinate to him.

(3) The Commissioner may, subject to such conditions and limitations as may be specified in this behalf by him, delegate his powers to any other officer who is subordinate to him.

(4) Notwithstanding anything contained in this section, an Appellate Authority shall not exercise the powers and discharge the duties conferred or imposed on any other officer of central tax.

COMMENTS

This section provides for powers of officers to discharge functions under this Act. The Commissioner may delegate his powers to any other officer who is subordinate to him. An Appellate Authority shall not exercise the powers and discharge the duties conferred on any other officer of Central tax.

Vide Noti. No. 2/2017-Central Tax, dt. 19-6-2017, w.e.f. 22-6-2017, the Central Board of Excise and Customs appoints certain officers to exercise powers and discharge the duties under this Act.

[2]6. Authorisation of officers of State tax or Union territory tax as proper officer in certain circumstances

(1) Without prejudice to the provisions of this Act, the officers appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify.

(2) Subject to the conditions specified in the notification issued under sub-section (1),—

(a) where any proper officer issues an order under this Act, he shall also issue an order under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as authorised by the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, under intimation to the jurisdictional officer of State tax or Union territory tax;

(b) where a proper officer under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act has initiated any proceedings on a subject-matter, no proceedings shall be initiated by the proper officer under this Act on the same subject-matter.

1. Enforced w.e.f. 22-6-2017 vide Noti. No. 1/2017-Central Tax, dt. 19-6-2017.
2. Enforced w.e.f. 1-7-2017 vide Noti. No. 9/2017-Central Tax, dt. 28-6-2017.

(3) Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act shall not lie before an officer appointed under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act.

COMMENTS

This section provides for authorization of State tax and Union territory tax officers, subject to conditions as shall be notified by the Central Government on recommendations of the Council to be the proper officers for the purposes of this Act.

Vide Notification No. 39/2017-Central Tax, dt. 13-10-2017, the Central Government hereby specifies that the officers appointed under the respective State Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 (14 of 2017) (hereafter in this notification referred to as "the said Acts") who are authorised to be the proper officers for the purposes of section 54 or section 55 of the said Acts (hereafter in this notification referred to as "the said officers") by the Commissioner of the said Acts, shall act as proper officers for the purpose of sanction of refund under section 54 or section 55 of the CGST Act read with the rules made thereunder [@][except sub-rules (1) to (8) and sub-rule (10) of rule 96] of the Central Goods and Services Tax Rules, 2017, in respect of a registered person located in the territorial jurisdiction of the said officers who applies for the sanction of refund to the said officers.

[[@] *Substituted for "except rule 96" vide Noti. No. 10/2018-CT, dt. 23-1-2018*]

CHAPTER III

LEVY AND COLLECTION OF TAX

[1]7. Scope of supply

(1) For the purposes of this Act, the expression "supply" includes—

(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

[2][(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or *vice versa*, for cash, deferred payment or other valuable consideration.

Explanation : For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions *inter se* shall be deemed to take place from one such person to another;]

(b) import of services for a consideration whether or not in the course or furtherance of business; [3][and]

(c) the activities specified in Schedule I, made or agreed to be made without a consideration; [4][xxx]

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1 Enforced w.e.f. 1-7-2017 vide Noti. No. 9/2017-Central Tax, dt. 28-6-2017.
2 Inserted by Finance Act, 2021, w.e.f. 1-1-2022 vide Noti. No. 39/2021-Central Tax, dt. 21-12-2021.
3 Inserted by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.r.e.f. 1-7-2017.
4 Word "and" omitted, ibid.

[1][xxx]

[2][(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.]

(2) Notwithstanding anything contained in sub-section (1),—

(a) activities or transactions specified in Schedule III; or

(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council,

shall be treated neither as a supply of goods nor a supply of services.

(3) Subject to the provisions of [3][sub-sections (1), (1A) and (2)], the Government may, on the recommendations of the Council, specify, by notification, the transactions that are to be treated as—

(a) a supply of goods and not as a supply of services; or

(b) a supply of services and not as a supply of goods.

COMMENTS

This section provides for the activities to be treated as supply. Certain activities, specified in Schedule I of the Act, even made or agreed to be made without a consideration shall be treated as supply. This section also provides activities which are neither supply of goods nor supply of services as specified in Schedule III of the Act while the activities to be treated as supply of goods or supply of services as per Schedule II of the Act.

[4]8. Tax liability on composite and mixed supplies

The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:—

(a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and

(b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

[4]9. Levy and collection

(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Central Goods and Services Tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption [5][and un-denatured extra neutral alcohol or rectified spirit used for manufacture

1 Clause (d) omitted by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-7-2017. Prior to omission, clause (d) read as under:
"(d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II."

2 Inserted, ibid.

3 Substituted for "sub-sections (1) and (2)", ibid.

4 Enforced w.e.f. 1-7-2017 vide Noti. No. 9/2017-Central Tax, dt. 28-6-2017.

5 Inserted by Finance (No. 2) Act, 2024 (15 of 2024), dt. 16-8-2024, w.e.f. 1-11-2024 vide SO 4253(E), dt. 27-9-2024.

of alcoholic liquor, for human consumption], on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

(2) The central tax on the supply of petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council.

(3) The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such 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 the supply of such goods or services or both.

[1][(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.]

(5) The Government may, on the recommendations of the Council, by notification, specify categories of services the tax on intra-State supplies of which shall be paid by the electronic commerce operator if such services are supplied through it, and all the provisions of this Act shall apply to such electronic commerce operator as if he is the supplier liable for paying the tax in relation to the supply of such services:

PROVIDED that where an electronic commerce operator does not have a physical presence in the taxable territory, any person representing such electronic commerce operator for any purpose in the taxable territory shall be liable to pay tax:

PROVIDED FURTHER that where an electronic commerce operator does not have a physical presence in the taxable territory and also he does not have a representative in the said territory, such electronic commerce operator shall appoint a person in the taxable territory for the purpose of paying tax and such person shall be liable to pay tax.

COMMENTS

This section provides for levy and collection of Central tax on all intra-State supplies of goods or services or both except on the supply of alcoholic liquor for human consumption the value determined under section 15 and at a rate not exceeding 20%, as may be notified by the

1 Substituted by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019. Prior to substitution, sub-section (4) read as under:
"(4) The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient 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 the supply of such goods or services or both."

Central Government on the recommendations of the Council. This section provides that from a date to be notified by the Central Government on the recommendations of the Council, the Central tax on the supply of petroleum crude, high speed diesel, motor spirits, natural gas, etc. to be levied. The Central Government may on recommendations of the Council, by notification, specify categories of supply of goods or services, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services. The Central tax in respect of supply of taxable goods or services by a non-registered supplier to a registered person, shall be paid by such person on reverse charge basis as the recipient liable for paying tax in relation to the supply of such goods or services. Where an electronic commerce operator does not have a physical presence in the taxable territory, any person operating such electronic commerce operator for any purpose shall be liable to pay tax.

[1]**10. Composition levy**

(1) Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed fifty lakh rupees, may opt to pay, [2][in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate] as may be prescribed, but not exceeding,—

(a) one per cent. of the turnover in State or turnover in Union territory in case of a manufacturer;

(b) two and a half per cent. of the turnover in State or turnover in Union territory in case of persons engaged in making supplies referred to in clause (b) of paragraph 6 of Schedule II; and

(c) half per cent. of the turnover in State or turnover in Union territory in case of other suppliers,

subject to such conditions and restrictions as may be prescribed:

PROVIDED that the Government may, by notification, increase the said limit of fifty lakh rupees to such higher amount, not exceeding [3][one crore and fifty lakh rupees], as may be recommended by the Council:

[4][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 a State or Union territory in the preceding financial year or five lakh rupees, whichever is higher.]

[5][*Explanation* : For the purposes of second proviso, the value of exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount shall not be taken into account for determining the value of turnover in a State or Union territory.]

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1 Enforced w.e.f. 22-6-2017 vide Noti. No. 1/2017-Central Tax, dt. 19-6-2017.

2 Substituted for "in lieu of the tax payable by him, an amount calculated at such rate" by the CGST (Amdt.) Act, 2018 (31 of 2018), dt. 30-8-2018, w.e.f. 1-2-2019 vide Noti. No. 02/2019-Central Tax, dt. 29-1-2019.

3 Substituted for "one crore rupees", ibid.

4 Inserted, ibid.

5 Inserted by the Finance (No. 2) Act, 2019 (23 of 2019), dt. 1-8-2019, w.e.f. 1-1-2020 vide Noti. No. 01/2020-CT, dt. 1-1-2020.