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## PART IV

Acts of Gujarat Legislature and Ordinances promulgated and Regulations  
made by the Governor.

The following Act of the Gujarat Legislature, having been assented to by the Governor on the 17<sup>th</sup> May, 2017 is hereby published for general information.

**K. M. LALA,**  
Secretary to the Government of Gujarat,  
Legislative and Parliamentary Affairs Department.

### GUJARAT ACT NO. 26 OF 2017.

(First published, after having received the assent of the Governor, in the "Gujarat Government Gazette", on the 9<sup>th</sup> June, 2017).

### AN ACT

further to amend the Gujarat Value Added Tax Act, 2003.

It is hereby enacted in the Sixty-eighth Year of the Republic of India as follows :-

1. (1) This Act may be called the Gujarat Value Added Tax (Amendment) Act, 2017.

Short title and  
commencement.

(2) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

- Amendment of long title of Guj.1 of 2005. 2. In the Gujarat Value Added Tax Act, 2003 (hereinafter referred to as “the principal Act”), in the long title, the words “or purchases” shall be deleted. Guj. 1 of 2005.
- Amendment of section 2 of Guj.1 of 2005. 3. In the principal Act, in section 2,-
- (1) clauses (1), (1A) and (2) shall be deleted;
- (2) in clause (4), in sub-clause (ii), for the words “plant, machinery, raw materials, processing materials, packing materials, empties, consumable stores, waste products, or such other goods, or waste or scrap of any of them”, the words “raw materials, processing materials, consumable stores, waste products or such other goods” shall be substituted;
- (3) clauses (5) and (9) shall be deleted;
- (4) in clause (10), Exceptions (i) to (iii) shall be deleted;
- (5) clause (11) shall be deleted;
- (6) for clause (13), the following clause shall be substituted, namely:-
- “(13) “goods” means goods as covered under entry 54 of List II of the Seventh Schedule to the Constitution of India;”;
- (7) in clause (19), the words “material used in the packing of the goods” shall be deleted;
- (8) in clause (27), for the words, figures and letters “on sales or purchase of goods and includes *lump sum* tax leviable or payable under Section 14, 14A, 14B, 14C or 14D”, the words “on sales of goods” shall be substituted;
- (9) for clause (29), the following clause shall be substituted, namely:-
- “(29) “taxable goods” means goods liable to tax under section 7 excluding the goods on which no tax is payable under section 5;”;
- (10) in clause (30), -
- (i) the words “or purchases” shall be deleted;
- (ii) in sub-clause (b), the words, brackets and figures “under sub-section (1) of section 5 or” shall be deleted;

(11) in clause (34), in sub-clause (a) the words “or purchases”, occurring at two places, shall be deleted;

(12) clause (37) shall be deleted.

4. In the principal Act, in section 5, -

**Amendment of  
section 5 of Guj.  
1 of 2005.**

- (1) sub-sections (1) and (1A) shall be deleted;
- (2) in sub-section (2), the words “or purchases” wherever they occur, shall be deleted;
- (3) in sub-section (3), the words, brackets, figure and letter “under sub-section (1A) and” shall be deleted.

5. In the principal Act, section 5A shall be deleted.

**Deletion of  
section 5A of  
Guj. 1 of 2005.**

6. In the principal Act, in section 7, -

**Amendment of  
section 7 of Guj.  
1 of 2005.**

- (1) for sub-section (1), the following sub-section shall be substituted, namely:-

“(1) Subject to the provisions of this Act, there shall be levied a tax on the turnover of sale of Motor spirit commonly known as Petrol, High Speed Diesel, Aviation Turbine Fuel, Petroleum Crude, Natural Gas and Alcoholic Liquor for human consumption specified in Schedule III at the rate set out against each of them:

Provided that the Government may levy, from importer or manufacturer or oil marketing companies, a tax at full rate on the retail price in such manner as may be notified by the Government.”;

- (2) sub-section (1A) shall be deleted;
- (3) in sub-section (2), clause (i) shall be deleted.

7. In the principal Act, section 9 shall be deleted.

**Deletion of  
section 9 of Guj.  
1 of 2005.**

8. In the principal Act, for section 10, the following section shall be substituted, namely:-

**Substitution of  
section 10 of  
Guj. 1 of 2005.**

Deeming  
provision for  
packing  
material.

“10. Notwithstanding anything contained in this Act, the value of goods shall be inclusive of value of packing material unless value of packing material is separately charged and tax is collected under the Gujarat Goods and Services Tax Act, 2017.”.

Guj. 25 of 2017.

Amendment of  
section 11 of  
Guj.1 of 2005.

9. In the principal Act, in section 11,-
- (1) in sub-section (1), in clause (a), sub-clauses (ii) and (iii) shall be deleted;
  - (2) in sub-section (3), -
    - (i) in clause (a),-
      - (a) in sub-clause (vi), the words “or in the packing of goods so manufactured” shall be deleted;
      - (b) sub-clause (vii) shall be deleted;
    - (ii) in clause (b), -
      - (a) in sub-clause (ii), the words “or in the packing of the goods” shall be deleted;
      - (b) in sub-clause (iii), for the words “manufacture of goods”, the words “manufacture of taxable goods” shall be substituted;
  - (3) in sub-section (5),-
    - (i) clause (c) shall be deleted;
    - (ii) in clause (g), the words “the goods specified in the Schedule I or” shall be deleted;
    - (iii) in clause (h),-
      - (a) the words “goods specified in the Schedule I or” shall be deleted;
      - (b) the words “or in the packing of goods so manufactured” shall be deleted;
    - (iv) clauses (i) and (j) shall be deleted;
    - (v) in clause (ll), for the words “crude oil and lignite”, the words “and petroleum crude” shall be substituted.
    - (vi) clauses (mm) and (nn) shall be deleted;
    - (vii) non-obstante clause (I) and (III) shall be deleted;
  - (4) in sub-section (7A), the first and second provisos thereunder shall be deleted;

(5) to sub-section (8), the following proviso shall be added, namely:-

Guj. 25 of 2017. “provided that when a dealer migrating to the Gujarat Goods and Services Tax Act, 2017 uses the capital goods till completion of remaining period of limit of 5 years continuously under the Gujarat Goods and Services Tax Act, 2017, the tax credit shall not be reduced for such period.”

Guj. 25 of 2017.

(6) after sub-section (8), the following sub-section shall be inserted, namely:-

“(8A) (1) When a dealer has availed the tax credit for tax paid on purchases of goods in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the date of coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017 and he opts for composition under section 10 of the Gujarat Goods and Services Tax Act, 2017, such tax credit shall stand reversed. Such amount of reversed tax credit shall be adjusted from the present balance of tax credit available. If such dealer does not have in balance the tax credit available for adjustment of reversed tax credit, he shall pay into Government treasury, a sum equal to the amount of unadjusted reversed tax credit.

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Guj. 25 of 2017.

(2) When a dealer has availed the tax credit for tax paid on purchases of capital goods on the date of coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017 and he opts for composition under section 10 of the Gujarat Goods and Services Tax Act, 2017, but period of five year has not completed, such tax credit shall stand reversed. Such amount of reversed tax credit shall be adjusted from the present balance of tax credit available. If such dealer does not have in balance the tax credit available for adjustment of reversed tax credit, he shall pay into Government treasury, a sum equal to the amount of unadjusted reversed tax credit.”

Guj. 26 of 2017.

Guj. 25 of 2017.

10. In the principal Act, section 12 shall be deleted.

Deletion of section 12 of Guj.1 of 2005.

11. In the principal Act, sections 14, 14A, 14B, 14C and 14D shall be deleted.

Deletion of sections 14 to 14D of Guj.1 of 2005.

Amendment of  
section 16 of  
Guj.1 of 2005.

12. In the principal Act, in section 16,-

(1) to sub-section (1), the following proviso shall be added, namely:-

“Provided that, the officers appointed under the Gujarat Goods and Services Tax Act, 2017 shall be deemed to be the officers appointed under the provisions of this Act.”.

Guj. 25 of 2017.

(2) to sub-section (2), the following proviso shall be added, namely:-

“Provided that, the officers appointed under the Gujarat Goods and Services Tax Act, 2017 shall be deemed to be the officers appointed under the provisions of this Act to assist the Commissioner in the executions under this sub-section.”.

Guj. 25 of 2017.

Amendment of  
section 21 of  
Guj. 1 of 2005.

13. In the principal Act, in section 21, sub-section (2) shall be deleted.

Deletion of  
section 23 of  
Guj. 1 of 2005.

14. In the principal Act, section 23 shall be deleted.

Insertion of  
new section  
27A in Guj. 1  
of 2005.

15. After section 27, the following section shall be inserted, namely:-

Dealers  
deemed to be  
deregistered.

“27A. All registered dealers not dealing with goods defined under clause (13) of section 2 shall be deemed to be deregistered from the date of coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017 and their registration certificates shall stand cancelled.”.

Guj. 26 of 2017.

Amendment of  
section 60 of  
Guj.1 of 2005.

16. In the principal Act, in section 60, in sub-section (1), in the proviso,-

(i) in clause (a), the words “specified in Schedule 1 or” shall be deleted;

(ii) clause (b) shall be deleted.

Amendment of  
section 63 of  
Guj.1 of 2005.

17. In the principal Act, in section 63, to sub-section (1), the following provisos shall be inserted, namely:-

“Provided that registered dealer whose taxable turnover is more than twenty five lakh shall file a final return for the period ending on the last day before the appointed day of the coming into force of the Gujarat Goods and Services Tax Act, 2017 in such manner as may be prescribed, reflecting such details as may be prescribed from the books of Account:

Guj. 25 of 2017.

Provided further that where the amount of tax credit is carried forward for more than rupees five lakhs, the books of accounts related to such final return shall have to be duly audited by a chartered Accountant or cost accountant.”.

Amendment of  
section 100 of  
Guj. 1 of 2005.

18. In section 100, after sub-section (2), the following sub-section shall be added, namely:-

Guj. 26 of 2017.

“(2A) The amendment of the Gujarat Value Added Tax (Amendment) Act, 2017 shall not—

(a) revive anything not in force or existing at the time of such amendment or repeal; or

Guj. 26 of 2017.

(b) affect the previous operation of this Act prior to the coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017 and orders or anything duly done or suffered thereunder; or

Guj. 26 of 2017.

(c) affect any right, privilege, obligation, or liability acquired, accrued or incurred under this Act prior to the coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017 or orders made thereunder:

Provided that any tax exemption granted as an incentive against investment through a notification shall not continue as privilege if the said notification is rescinded on or after the coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017; or

Guj. 26 of 2017.

(d) affect any tax, surcharge, penalty, fine, interest as are due or may become due or any forfeiture or punishment incurred or inflicted in respect of any offence or violation committed against the provisions of this Act prior to the coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017; or

Guj. 26 of 2017.

(e) affect any investigation, inquiry, verification (including scrutiny and audit), assessment proceedings, adjudication and any other legal proceedings or recovery of arrears or remedy in respect of any such tax, surcharge, penalty, fine, interest, right, privilege, obligation,

liability, forfeiture or punishment, as aforesaid, and any such investigation, inquiry, verification (including scrutiny and audit), assessment proceedings, adjudication and other legal proceedings or recovery of arrears or remedy may be instituted, continued or enforced, and any such tax, surcharge, penalty, fine, interest, forfeiture or punishment may be levied or imposed; or

- (f) affect any proceedings including that relating to an appeal, revision, review or reference, instituted under this Act prior to the coming into force of the Gujarat Value Added Tax (Amendment) Act, 2017 and such proceedings shall be continued under the said amending Act.”.

Guj. 26 of 2017.

Deletion of Schedules I and II of Guj.1 of 2005.

19. In the principal Act, Schedule I and Schedule II shall be deleted.

Substitution of Schedule III to Guj.1 of 2005.

20. In the principal Act, for Schedule III, the following Schedule shall be substituted, namely:-

**“SCHEDULE III**

(see section 7 )

**GOODS, THE SALE OF WHICH IS SUBJECT TO TAX AND RATE OF TAX**

Sr.No.	Description of goods	Rate of Tax
1	High Speed Diesel	Twenty-four paise in the rupee
2	Motor spirit(commonly known as petrol)	Twenty-six paise in the rupee
3	Petroleum Crude	Five paise in the rupee
4	Aviation Turbine Fuel (Duty Paid)	Thirty paise in the rupee
5	Aviation Turbine Fuel (Bonded)	Thirty-eight paise in the rupee
6	Natural Gas	Fifteen paise in the rupee
7	Alcoholic Liquor for human consumption	Sixty-five paise in the rupee.”.