GSTZONE

Other Provisions & Procedure

TDS, TCS, job work and the rest of the machinery

The complete guide, plus all 55 sections and rules

Text sourced from the Central Board of Indirect Taxes and Customs

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Start here

This is the part of the Act that keeps the system running rather than defining the tax: who must deduct at source, who must collect at source, how goods move to a job worker and back without tax, who may act as a practitioner, and how the anti-profiteering machinery is meant to work.

TDS applies mainly to government departments and notified bodies deducting on payments above a threshold. TCS applies to e-commerce operators collecting on the supplies made through their platform - which is exactly why marketplace sellers must register from the first sale.

Job work has its own logic: goods can be sent to a job worker without paying tax, provided they come back - or are supplied onward - within one year for inputs and three years for capital goods. Miss those windows and the original despatch is treated as a supply.

A worked example

Job-work goods that never came back

Inputs sent for processing	**Value ₹22,00,000**	No tax paid on despatch
Job worker retains them past 12 months	**Deadline missed**	Reason does not matter
Consequence	**Deemed a supply on the original despatch date**	Tax plus interest from that date

> **The point:** Interest runs from the day the goods left, not from the day the deadline passed. A simple register of despatch dates is the cheapest control in this entire topic.

The mistakes that cost people money

- Not tracking job-work despatch dates. The one-year and three-year clocks are unforgiving and run from despatch.
- Assuming TCS credit appears automatically. It has to be reconciled and claimed.
- Selling through a marketplace without registration because turnover is small. TCS makes registration compulsory from the first sale.

What this guide covers

Every provision, explained

RULE 122 · CGST RULES, 2017

[Omitted]

This provision has been omitted and has no operative text in the current official version; see amendment_history for the omitting instrument.

RULE 123 · CGST RULES, 2017

Constitution of the Standing Committee and Screening Committees

Constitution of the Standing Committee and the State-level Screening Committees on anti-profiteering, which sit between a consumer's complaint and an investigation.

RULE 124 · CGST RULES, 2017

[Omitted]

This provision has been omitted and has no operative text in the current official version; see amendment_history for the omitting instrument.

RULE 125 · CGST RULES, 2017

[Omitted]

This provision has been omitted and has no operative text in the current official version; see amendment_history for the omitting instrument.

RULE 126 · CGST RULES, 2017

Power to determine the methodology and procedure

The Authority may lay down its own methodology and procedure for deciding whether a rate cut or a credit benefit has been passed on - which is why anti-profiteering has no statutory formula.

RULE 127 · CGST RULES, 2017

Functions of the Authority

Functions of the Authority: to decide whether the benefit was passed on, to identify the supplier, to order a reduction in price, a refund with eighteen per cent interest, a deposit into the Consumer Welfare Fund, or a penalty, and to monitor its own orders.

RULE 128 · CGST RULES, 2017

Examination of application by the Standing Committee and Screening Committee

The Standing Committee examines a complaint within two months and, where a prima facie case exists, refers it to the Director General of Anti-profiteering for investigation; a local complaint goes first to the State Screening Committee.

RULE 129 · CGST RULES, 2017

Initiation and conduct of proceedings

The Director General issues a notice to the supplier, gives him at least fifteen days to reply, may inspect and gather evidence, and must complete the investigation in six months, extendable by three.

RULE 130 · CGST RULES, 2017

Confidentiality of information

Information given in confidence during an anti-profiteering investigation is protected the way section 11 of the Right to Information Act protects third-party information, and a non-confidential summary is what the other side sees.

RULE 131 · CGST RULES, 2017

Cooperation with other agencies or statutory authorities

The Director General of Anti-profiteering may take the opinion of any other agency or statutory authority while discharging his duties.

RULE 132 · CGST RULES, 2017

Power to summon persons to give evidence and produce documents

The Authority and the Director General have the section 70 power to summon a person to give evidence or produce documents, and such an enquiry is a judicial proceeding under the Penal Code.

RULE 133 · CGST RULES, 2017

Order of the Authority

The Authority must decide within six months of the Director General's report; it may order a price reduction, a refund to the recipient with eighteen per cent interest, a deposit into the Consumer Welfare Fund where the recipient cannot be identified, a penalty, and in a suitable case cancellation of registration.

RULE 134 · CGST RULES, 2017

[Omitted]

This provision has been omitted and has no operative text in the current official version; see amendment_history for the omitting instrument.

RULE 135 · CGST RULES, 2017

Compliance by the registered person

An order of the Authority must be complied with immediately; otherwise the amount is recovered as an arrear of tax under the ordinary recovery provisions.

RULE 136 · CGST RULES, 2017

Monitoring of the order

The Authority may direct any central, State or UT tax authority to monitor how its order is actually implemented.

RULE 137 · CGST RULES, 2017

[Omitted]

This provision has been omitted and has no operative text in the current official version; see amendment_history for the omitting instrument.

SECTION 139 · CGST ACT, 2017

Migration of existing taxpayers

Section 139 provided for MIGRATION of taxpayers registered under the earlier laws (VAT, service tax, excise) to GST, granting provisional and then final registration.

- Spent for new taxpayers; it still matters when a provisional registration from 2017 is questioned or a migration-era GSTIN is under scrutiny.

SECTION 140 · CGST ACT, 2017

Transitional arrangements for input tax credit

Section 140 allowed carrying forward the closing balance of eligible CENVAT/VAT credit from the pre-GST regime into GST as transitional ITC (claimed through TRAN-1), subject to conditions.

- The Supreme Court in Filco Trade Centre (22-07-2022) reopened TRAN-1 and TRAN-2 for EVERY taxpayer from 01-10-2022 to 30-11-2022, with ninety days for the officer to verify - Circulars 180/12/2022 and 182/14/2022 carry the machinery.
- Claims allowed on verification had to be credited to the ledger; a rejection is appealable under section 107 from the date of that order, so old transitional matters can still be live.
- Section 140 was amended retrospectively from 01-07-2017 to insert the words 'within such time and in such manner as may be prescribed', which is what defeated the argument that no time limit applied.

SECTION 141 · CGST ACT, 2017

Transitional provisions relating to job work

Section 141 gave transitional relief for inputs/semi-finished/finished goods lying with a job worker at the appointed day, so they could be returned without GST if within the prescribed period.

- Applied to goods lying with a job worker on 01-07-2017; relief was lost if they were not returned within six months, extendable by two.

SECTION 142 · CGST ACT, 2017

Miscellaneous transitional provisions

Section 142 covered miscellaneous transitional situations - treatment of goods returned, price revisions, pending refund/appeal claims and long-term contracts spanning the pre- and post-GST periods.

- 142(11)(c) - the double-tax situation where VAT and service tax were both paid before GST - still supports a credit claim where a demand for that period surfaces.
- Refund claims filed under the old laws are decided under those laws, and a rejection is refunded in cash, not as credit.

SECTION 143 · CGST ACT, 2017

Job work procedure

Section 143 sets out the JOB WORK procedure: a principal may send inputs/capital goods to a job worker without paying tax and bring them back or supply from there; if inputs are not returned within one year (capital goods three years), it is deemed a supply on the day they were sent out.

- The one-year and three-year clocks run from the date the goods are SENT OUT; failure to bring them back makes it a deemed supply on that original date, with interest from then.
- Moulds, dies, jigs, fixtures and tools are outside the time limits.
- The principal may supply the goods directly from the job worker's premises if that place is declared as an additional place of business, or the job worker is registered, or the goods are notified.
- Waste generated at the job worker's premises may be supplied by him if registered, otherwise by the principal.
- Procedure is in Rule 45: delivery challan, records, and ITC-04 half-yearly above Rs 5 crore turnover, annually below.

SECTION 144 · CGST ACT, 2017

Presumption as to documents in certain cases

Section 144 raises a presumption that documents seized/produced are genuine (signatures/contents true) in any proceeding or prosecution.

SECTION 145 · CGST ACT, 2017

Admissibility of micro films, facsimile copies of documents and computer printouts as documents and as evidence

Section 145 makes microfilm, facsimile and computer/electronic records admissible as evidence.

SECTION 146 · CGST ACT, 2017

Common Portal

Section 146 provides for the COMMON GST PORTAL (GSTN) notified for registration, returns, payment and other functions.

SECTION 147 · CGST ACT, 2017

Deemed exports

Section 147 lets the Government notify certain supplies of goods as DEEMED EXPORTS (e.g. supplies to EOUs/advance-authorisation holders) even though goods do not leave India, with refund benefits.

- Deemed exports are notified under Notification 48/2017-Central Tax: supplies against advance authorisation, to an EPCG holder, to an EOU, and gold supplied by a bank or PSU against advance authorisation.
- Tax IS payable on a deemed export - the benefit is that either the supplier or the recipient can claim the refund, with a declaration from the other that he will not.
- Deemed exports are not zero-rated: no LUT route, and no refund of unutilised credit on that account.

SECTION 148 · CGST ACT, 2017

Special procedure for certain processes

Section 148 lets the Government notify a SPECIAL PROCEDURE for certain classes of registered persons (e.g. composition-like schemes, special returns).

- The power behind most special procedures - composition of tax for specified goods, the special procedure for manufacturers of pan masala and tobacco (Notification 04/2024-Central Tax), and the machine-registration and monthly-statement obligations that go with it.

SECTION 148A · CGST ACT, 2017

Track and trace mechanism for certain goods

Empowers the Government to notify a track and trace mechanism for specified goods - a unique identification marking affixed to the goods or packages, with electronic storage of the information, machinery for the persons who deal in them, and record-keeping obligations. Aimed at evasion-prone commodities; the penalty for non-compliance is in section 122B.

- Notified for pan masala and tobacco under the special procedure route; the penalty for non-compliance is Rs 1 lakh or ten per cent of the tax, whichever is higher, under section 122B.

SECTION 149 · CGST ACT, 2017

Goods and services tax compliance rating

Section 149 provides for a GST COMPLIANCE RATING for every registered person based on their record of compliance.

SECTION 150 · CGST ACT, 2017

Obligation to furnish information return

Section 150 obliges specified authorities/persons (banks, registrars, etc.) to furnish INFORMATION RETURNS of financial transactions.

SECTION 151 · CGST ACT, 2017

Power to call for information

Section 151 empowers the Commissioner to call for INFORMATION for the purposes of the Act.

- The Commissioner may call for information from any person; the 2021 amendment widened it beyond statistics, and the information must still be used consistently with section 152 - it cannot be published or used against the person without a hearing.

SECTION 152 · CGST ACT, 2017

Bar on disclosure of information

Section 152 bars the use of individual information collected under s.150/151 for proceedings without giving the person an opportunity of being heard.

SECTION 153 · CGST ACT, 2017

Taking assistance from an expert

Section 153 lets an officer take the ASSISTANCE of experts (chartered/cost accountants, IT experts) during any proceeding.

SECTION 154 · CGST ACT, 2017

Power to take samples

Section 154 empowers officers to take SAMPLES of goods for examination.

SECTION 155 · CGST ACT, 2017

Burden of proof

Section 155 places the BURDEN OF PROOF for eligibility of input tax credit on the person claiming it.

- The burden of proving eligibility for input tax credit is ON THE PERSON CLAIMING IT - which is why an ITC dispute is won with invoices, e-way bills, transport documents, payment proof and the supplier's return status, not with argument.
- Build the credit file at the time of the transaction; reconstructing it after a notice is what most reversals turn on.

SECTION 156 · CGST ACT, 2017

Persons deemed to be public servants

Section 156 deems GST officers and specified persons to be PUBLIC SERVANTS.

SECTION 157 · CGST ACT, 2017

Protection of action taken under this Act

Section 157 protects officers and the Government from suits/prosecution for acts done in GOOD FAITH under the Act.

SECTION 158 · CGST ACT, 2017

Disclosure of information by a public servant

Section 158 bars DISCLOSURE of particulars in a taxpayer's records/returns/statements except as specifically permitted.

SECTION 158A · CGST ACT, 2017

Consent based sharing of information furnished by taxable person

Lets the common portal share a registered person's registration particulars, return data, e-invoice and e-way bill details with other notified systems - but only with that person's CONSENT, and, for a recipient's details, the recipient's consent as well. Rule 163 carries the mechanics.

- Sharing is consent-based and the mechanics are in Rule 163 - a taxpayer opts in on the portal, and the recipient's consent is also needed for his details.

SECTION 159 · CGST ACT, 2017

Publication of information in respect of persons in certain cases

Section 159 allows PUBLICATION of information (names/particulars) about persons in relation to proceedings or convictions, in the public interest.

SECTION 160 · CGST ACT, 2017

Assessment proceedings, etc., not to be invalid on certain grounds

Section 160 provides that an assessment/order is not invalid merely for a mistake/defect/omission if it is in substance in conformity with the Act, and bars challenge to notice service if the person acted on it.

- A mistake, defect or omission in a notice or order does not invalidate it if it is in substance in conformity with the Act - so a typographical error is not a ground, while a jurisdictional defect or absence of hearing still is.

SECTION 161 · CGST ACT, 2017

Rectification of errors apparent on the face of record

Section 161 allows RECTIFICATION of an error apparent on the face of the record within three months (up to six months), by the authority that passed the order.

- Rectification is only for an error APPARENT ON THE FACE OF THE RECORD - not for a re-argument of the merits.
- Apply within three months of the order; the authority may rectify within six months, and that six-month cap does not apply to a purely clerical or arithmetical error.
- A hearing is required where the rectification would adversely affect the person.
- It is the quickest route where an order ignores a payment already made or a reply already filed - faster and cheaper than an appeal, but the appeal limitation keeps running, so file both if time is short.

SECTION 162 · CGST ACT, 2017

Bar on jurisdiction of civil courts

Section 162 bars CIVIL COURTS from deciding any question the Act empowers a GST authority to decide.

SECTION 163 · CGST ACT, 2017

Levy of fee

Section 163 provides for levy of FEES for copies of documents/returns.

SECTION 164 · CGST ACT, 2017

Power of Government to make rules

Section 164 empowers the Government to make RULES to carry out the provisions of the Act, including with retrospective effect.

- The rule-making power, including the power to give a rule retrospective effect from a date not earlier than the commencement of the Act - which is how several rules have been backdated.

SECTION 165 · CGST ACT, 2017

Power to make regulations

Section 165 empowers the Board to make REGULATIONS consistent with the Act and rules.

SECTION 166 · CGST ACT, 2017

Laying of rules, regulations and notifications

Section 166 requires rules, regulations and notifications to be LAID BEFORE PARLIAMENT.

SECTION 167 · CGST ACT, 2017

Delegation of powers

Section 167 lets the Commissioner DELEGATE powers to any subordinate officer.

SECTION 168 · CGST ACT, 2017

Power to issue instructions or directions

Section 168 empowers the Board/Commissioner to issue INSTRUCTIONS and CIRCULARS for uniformity, which bind the officers (though not the taxpayer or courts).

- Board instructions bind officers, not taxpayers - but a taxpayer can hold the department to a circular that is in his favour, while an officer cannot use a circular to override the Act.

SECTION 168A · CGST ACT, 2017

Power of Government to extend time limit in special circumstances

Empowers the Government, on the Council's recommendation, to extend time limits under the Act in a force majeure situation - the power used for the pandemic-era extensions of demand and order deadlines, some of which are still under challenge before the Supreme Court.

- The pandemic-era extensions of demand and order limitation were issued under this power and are under challenge; keep a time-bar objection alive rather than conceding it.

SECTION 169 · CGST ACT, 2017

Service of notice in certain circumstances

Section 169 lists valid modes of SERVICE OF NOTICE - hand delivery, post/courier, email, the common portal, newspaper, or affixing.

- Valid modes include hand delivery, registered post to the last known address, email to the registered address, and posting on the common portal - and uploading to the portal alone IS valid service.
- The recurring dispute is service by portal upload under an unnoticed tab; courts have set aside orders where the notice went only to a tab the taxpayer would not check, but the safer practice is to monitor the portal weekly.
- Limitation for an appeal runs from the date of COMMUNICATION, so establishing when service actually happened is often the first battle.

SECTION 170 · CGST ACT, 2017

Rounding off of tax, etc

Section 170 provides for ROUNDING OFF of tax, interest, penalty etc. to the nearest rupee.

SECTION 171 · CGST ACT, 2017

Antiprofiteering measure

Section 171 is the ANTI-PROFITEERING provision - any reduction in tax rate or benefit of ITC must be passed on to the recipient by a commensurate reduction in price; an authority (now the Competition Commission) adjudicates complaints.

- Anti-profiteering: any reduction in the rate of tax or benefit of input tax credit must be passed on by a commensurate reduction in prices.
- The Delhi High Court upheld the provision and its rules in Reckitt Benckiser (29-01-2024); the fight is now on methodology and on the period covered, not on validity.
- Examination of new complaints moved to the Competition Commission of India, with the Director General of Anti-profiteering investigating; the sunset for accepting new applications has been notified, so check whether a complaint is even receivable.
- The 22-09-2025 rate reductions are the obvious trigger for a fresh round of scrutiny in consumer-facing sectors - businesses that kept prices unchanged after a rate cut should document why.

SECTION 172 · CGST ACT, 2017

Removal of difficulties

Section 172 lets the Government issue REMOVAL OF DIFFICULTIES orders within a limited period after commencement.

SECTION 173 · CGST ACT, 2017

Amendment of Act 32 of 1994

Section 173 amended the Finance Act, 1994 (service tax) consequent to GST.

SECTION 174 · CGST ACT, 2017

Repeal and saving

Section 174 REPEALED the earlier central indirect-tax laws (central excise, service tax provisions, etc.) while saving past liabilities, rights and proceedings.

- The repeal and saving clause preserves rights, liabilities and proceedings under the earlier laws - which is why service tax and excise investigations for pre-GST periods continue.

When you need more than a guide

This document tells you what the law says. It cannot tell you what it means for your specific numbers, your notice, or your year - and that is usually where the money is.

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