

The Chhattisgarh Goods & Services Tax Rules, 2017

Rule 129 : Initiation and conduct of proceedings

- (1) Where the Standing Committee is satisfied that there is a *prima-facie* evidence to show that the supplier has not passed on the benefit of reduction in rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices, it shall refer the matter to Director General of Safeguards for a detailed investigation.
- (2) The Director General of Safeguards shall conduct investigation and collect evidence necessary to determine whether the benefit of reduction in rate of tax on any supply of goods or services or the benefit of the input tax credit has been passed on to the recipient by way of commensurate reduction in prices.
- (3) The Director General of Safeguards shall, before initiation of investigation, issue a notice to the interested parties containing, *inter alia*, information on the following, namely:-
 - (a) the description of the goods or services in respect of which the proceedings have been initiated;
 - (b) summary of statement of facts on which the allegations are based; and
 - (c) the time limit allowed to the interested parties and other persons who may have information related to the proceedings for furnishing their reply.
- (4) The Director General of Safeguards may also issue notices to such other persons as deemed fit for fair enquiry into the matter.
- (5) The Director General of Safeguards shall make available the evidence presented to it by one interested party to the other interested parties, participating in the proceedings.
- (6) The Director General of Safeguards shall complete the investigation within a period of three months of receipt of reference from the Standing Committee or within such extended period not exceeding a further period of three months for reasons to be recorded in writing ¹[as may be allowed by the Authority] and, upon completion of the investigation, furnish to the Authority a report of its findings, along with the relevant records.

¹ Substituted vide Notification No. 14/2018 – State Tax dt. 23/03/2018 wef 23/03/2018. Prior to substitution it read as “as allowed by the Standing Committee”.