

BILL No. 14 OF 2025

# **THE FINANCE BILL, 2025**

**(AS INTRODUCED IN LOK SABHA)**

*Central Goods and Services Tax*

- 116. Amendment of section 2.
- 117. Amendment of section 12.
- 118. Amendment of section 13.
- 119. Amendment of section 17.
- 120. Amendment of section 20.
- 121. Amendment of section 34.
- 122. Amendment of section 38.
- 123. Amendment of section 39.
- 124. Amendment of section 107.
- 125. Amendment of section 112.
- 126. Insertion of new section 122B.
- 127. Insertion of new section 148A.
- 128. Amendment of Schedule III.
- 129. No refund of tax collected.

*Central Goods and Services Tax*

12 of 2017. **116.** In the Central Goods and Services Tax Act, 2017 (hereinafter referred as the Central Goods and Services Tax Act), in section 2,— Amendment of section 2.

13 of 2017. (i) in clause (61), after the word and figure “section 9”, the words, brackets and figures “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017” shall be inserted with effect from the 1st day of April, 2025;

(ii) in clause (69),—

(a) in sub-clause (c), after the words “management of a municipal”, the word “fund” shall be inserted;

(b) after sub-clause (c), the following *Explanation* shall be inserted, namely:—

*‘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.’;

(iii) after clause (116), the following clause shall be inserted, namely:—

*‘(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.** In section 12 of the Central Goods and Services Tax Act, sub-section (4) shall be omitted. Amendment of section 12.

**118.** In section 13 of the Central Goods and Services Tax Act, sub-section (4) shall be omitted. Amendment of section 13.

**119.** In section 17 of the Central Goods and Services Tax Act, in sub-section (5), in clause (d),— Amendment of section 17.

(i) for the words “plant or machinery”, the words “plant and machinery” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017;

(ii) the *Explanation* shall be numbered as *Explanation 1* thereof, and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely:—

‘*Explanation 2.*—For the purposes of clause (d), it is hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to “plant or machinery” shall be construed and shall always be deemed to have been construed as a reference to “plant and machinery”.’.

**120.** In section 20 of the Central Goods and Services Tax Act, with effect from the 1st day of April, 2025,— Amendment of section 20.

(i) in sub-section (1), after the word and figure “section 9”, the words, brackets and figures “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017” shall be inserted;

(ii) in sub-section (2), after the word and figure “section 9”, the words, brackets and figures “of this Act or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017,” shall be inserted.

**121.** In section 34 of the Central Goods and Services Tax Act, in sub-section (2), for the proviso, the following proviso shall be substituted, namely:— Amendment of section 34.

“Provided that no reduction in output tax liability of the supplier shall be permitted, if the—

(i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or

(ii) incidence of tax on such supply has been passed on to any other person, in other cases.”.

**122.** In section 38 of the Central Goods and Services Tax Act,— Amendment of section 38.

(i) in sub-section (1), for the words “an auto-generated statement”, the words “a statement” shall be substituted;

(ii) in sub-section (2),—

(a) for the words “auto-generated statement under”, the words “statement referred in” shall be substituted;

(b) in clause (a), the word “and” shall be omitted;

(c) in clause (b), after the words “by the recipient,”, the word “including” shall be inserted;

(d) after clause (b), the following clause shall be inserted, namely:—

“(c) such other details as may be prescribed.”.

**123.** In section 39 of the Central Goods and Services Tax Act, in sub-section (1), for the words “and within such time”, the words “within such time, and subject to such conditions and restrictions” shall be substituted. Amendment of section 39.

**124.** In section 107 of the Central Goods and Services Act, in sub-section (6), for the proviso, the following proviso shall be substituted, namely:— Amendment of section 107.

“Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty has been paid by the appellant.”.

**125.** In section 112 of the Central Goods and Services Act, in sub-section (8), the following proviso shall be inserted, namely:— Amendment of section 112.

“Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant.”.

**126.** After section 122A of the Central Goods and Services Act, the following section shall be inserted, namely:— Insertion of new section 122B.

“122B. Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) Penalty for failure to

of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.”.

comply with track and trace mechanism.

**127.** After section 148 of the Central Goods and Services Act, the following section shall be inserted, namely:—

Insertion of new section 148A.

“148A. (1) The Government may, on the recommendations of the Council, by notification, specify,—

Track and trace mechanism for certain goods.

(a) the goods;

(b) persons or class of persons who are in possession or deal with such goods,

to which the provisions of this section shall apply.

(2) The Government may, in respect of the goods referred to in clause (a) of sub-section (1),—

(a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and

(b) prescribe the unique identification marking for such goods, including the information to be recorded therein.

(3) The persons referred to in sub-section (1), shall,—

(a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner;

(b) furnish such information and details within such time and maintain such records or documents, in such form and manner;

(c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner;

(d) pay such amount in relation to the system referred to in sub-section (2),

as may be prescribed.”.

**128.** In Schedule III of the Central Goods and Services Act,— Amendment of  
Schedule III.

(i) in paragraph 8, after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017, namely:—

“(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area;”;

(ii) in *Explanation 2*, after the words “For the purposes of”, the words, brackets and letter “clause (a) of” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017;

(iii) after *Explanation 2*, the following *Explanation* shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2017, namely:—

“*Explanation 3.*— For the purposes of clause (aa) of paragraph 8, the expressions “Special Economic Zone”, “Free Trade Warehousing Zone” and “Domestic Tariff Area” shall have the same meanings respectively as assigned to them in section 2 of the Special Economic Zones Act, 2005.”.

28 of 2005.

**129.** No refund shall be made of all such tax which has been collected, but which would not have been so collected, had section 128 been in force at all material times. No refund of tax  
collected.