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PART IV

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

FINANCE DEPARTMENT

Sachivalaya, Gandhinagar, Dated the 12th June, 2025.

GUJARAT ORDINANCE NO. 1 OF 2025.

AN ORDINANCE

further to amend the Gujarat Goods and Services Tax Act, 2017.

WHEREAS on the basis of the recommendations of the 55th meeting of the Goods and Services Tax Council, certain provisions of the Central Goods and Services Tax Act, 2017 have been amended by the Parliament *vide* the Finance Act, 2025;

AND WHEREAS with a view to implementing the recommendations of the Goods and Services Tax Council as soon as possible and in order to maintain the uniformity in applicability of the provisions of the Central Goods and Services Tax Act, 2017 and the Gujarat Goods and Services Tax Act, 2017, it is expedient to amend the Gujarat Goods and Services Tax Act, 2017;

AND WHEREAS the Legislative Assembly of the State of Gujarat is not in Session;

AND WHEREAS the Governor of Gujarat is satisfied that circumstances exist which render it necessary for him to take immediate action to amend the Gujarat Goods and Services Tax Act, 2017;

Guj. 25 of 2017.

NOW, THEREFORE, in exercise of the powers conferred on him by clause (1) of article 213 of the Constitution of India, the Governor of Gujarat is hereby pleased to make and promulgate the following Ordinance, namely: -

1. Short title and commencement. - (1) This Ordinance may be called the Gujarat Goods and Services Tax (Second Amendment) Ordinance, 2025.

(2) Save as otherwise provided in this Ordinance, —

- (a) section 7 shall be deemed to have come into force with effect from the 1st day of April, 2025; and
- (b) the remaining provisions shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint:

Provided that different dates may be appointed for different provisions of this Ordinance.

2. Guj. 25 of 2017 to be temporarily amended. - During the period of operation of this Ordinance, the Gujarat Goods and Services Tax Act, 2017 (hereinafter referred to as “the principal Act”) shall have effect subject to the amendments specified in sections 3 to 16.

Guj. 25 of 2017.

3. Amendment of section 2 of Guj. 25 of 2017. - In the principal Act, in section 2, —

- (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), for sub-clause (c), the following sub-clause shall be substituted, namely: -

13 of 2017.

“(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 fund or a local fund.

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;”.

4. **Amendment of section 12 of Guj. 25 of 2017.**- In the principal Act, in section 12, sub-section (4) shall be deleted.
5. **Amendment of section 13 of Guj. 25 of 2017.**- In the principal Act, in section 13, sub-section (4) shall be deleted.
6. **Amendment of section 17 of Guj. 25 of 2017.**- In the principal Act, in section 17, in sub-section (5), in clause (d), —

- (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 renumbered as Explanation 1 thereof, and after Explanation 1 as so renumbered, the following Explanation shall be added, 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’.”.

7. **Amendment of section 20 of Guj. 25 of 2017.**- In the principal Act, in section 20, —

13 of 2017.

- (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;

13 of 2017.

- (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.

8. **Amendment of section 34 of Guj. 25 of 2017.**- In the principal Act, in section 34, in sub-section (2), for the existing proviso, the following proviso shall be substituted, namely: —

“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.”.

9. **Amendment of section 38 of Guj. 25 of 2017.**- In the principal Act, in section 38, —

- (i) in sub-section (1), for the words “an auto-generated statement”, the word “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 deleted;

- (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.”.

10. Amendment of section 39 of Guj. 25 of 2017.- In the principal Act, in section 39, 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.

11. Amendment of section 107 of Guj. 25 of 2017.- In the principal Act, in section 107, in sub-section (6), for the existing proviso, the following proviso shall be substituted, namely: —

“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.”.

12. Amendment of section 112 of Guj. 25 of 2017.- In the principal Act, in section 112, in sub-section (8), the following proviso shall be added, namely: —

“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.”.

13. Insertion of new section 122B of Guj. 25 of 2017.- In the principal Act, after section 122A, the following section shall be inserted, namely: —

Penalty for failure to comply with track and trace mechanism.

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

14. Insertion of new section 148A of Guj. 25 of 2017.- In the principal Act, after section 148, the following section shall be inserted, namely: —

Track and trace mechanism for certain goods.

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

- (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.”.

15. Amendment of Schedule III of Guj. 25 of 2017.- In the principal Act, in 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.

16. No refund of tax collected. - No refund shall be made of all such tax which has been collected, but which would not have been so collected, had section 15 been in force at all material times.

STATEMENT

The Gujarat Goods and Services Tax Act, 2017 was enacted with a view to making a provision for levy and collection of tax on intra-State supply of goods or services or both by the Government of Gujarat.

Various decisions have been taken by the Goods and Services Tax Council in its 55th meeting requiring amendments in the Goods and Services Tax Laws. Accordingly, the Central Goods and Services Tax Act, 2017 has been amended by the Parliament by the Finance Act, 2025. Now, with a view to implementing the recommendations of the Goods and Services Tax Council as soon as possible and in order to maintain the uniformity in applicability of the provisions of the Central Goods and Services Tax Act, 2017 and the Gujarat Goods and Services Tax Act, 2017, it is considered necessary to amend the Gujarat Goods and Services Tax Act, 2017.

As the Legislative Assembly of the State of Gujarat is not in session, the Gujarat Goods and Services Tax (Second Amendment) Ordinance, 2025 is promulgated to amend the Gujarat Goods and Services Tax Act, 2017 to achieve the aforesaid object.

Gandhinagar.

Dated the 6th June, 2025.

ACHARYA DEVVRAT,

Governor of Gujarat.

By order and in the name of the Governor of Gujarat,

DR. T. NATARAJAN,

Principal Secretary to Government.

