



# Punjab Government Gazette

## EXTRAORDINARY

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PUNJAB VIDHAN SABHA SECRETARIAT  
**NOTIFICATION**

The 28th September, 2025

**No. 23-PLA-2025/ 57.-** The Punjab Goods and Services Tax (Amendment) Bill, 2025 is hereby published for general information under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly):-

**BILL NO.23-PLA-2025**  
**THE PUNJAB GOODS AND SERVICES TAX (AMENDMENT)**  
**BILL, 2025**

**A**

**BILL**

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

BE it enacted by the Legislature of the State of Punjab in the Seventy-sixth Year of the Republic of India, as follows:-

1. (1) This Act may be called the Punjab Goods and Services Tax (Amendment) Act, 2025. Short title and commencement.
- (2) Save as otherwise provided, the provisions of this Act shall come into force on such date as the Government of Punjab may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment in  
section 2 of  
Punjab Act 5 of  
2017.

2. In the Punjab Goods and Services Tax Act, 2017 (hereinafter referred to as 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 deemed to have been inserted with effect from the 1<sup>st</sup> 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.”; and

(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;’.

3. In the principal Act, in section 12, sub-section (4) shall be omitted. Amendment in section 12 of Punjab Act 5 of 2017.
4. In the principal Act, in section 13, sub-section (4) shall be omitted. Amendment in section 13 of Punjab Act 5 of 2017.
5. In the principal Act, in section 17, in sub-section (5), in clause (d),- Amendment in section 17 of Punjab Act 5 of 2017.
  - (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 1<sup>st</sup> day of July, 2017; and
  - (ii) the *Explanation* shall be numbered as *Explanation I* thereof, and after *Explanation I* as so numbered, 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”."
6. In the principal Act, in section 20, with effect from the 1<sup>st</sup> day of April, 2025,- Amendment in section 20 of Punjab Act 5 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; and
  - (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.
7. In the principal Act, in section 34, in sub-section (2), for the existing proviso, the following proviso shall be substituted, namely:- Amendment in section 34 of Punjab Act 5 of 2017.

“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.”.

Amendment in section 38 of Punjab Act 5 of 2017.

8. In the principal Act, in section 38,-

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

(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), at the end, the word “and” shall be omitted;

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

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

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

Amendment in section 39 of Punjab Act 5 of 2017.

9. 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.

Amendment in section 107 of Punjab Act 5 of 2017.

10. 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.”.

Amendment in section 112 of Punjab Act 5 of 2017.

11. In the principal Act, in section 112, in sub-section (8), the following proviso shall be inserted, 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.”.

12. In the principal Act, after section 122A, the following section shall be inserted, namely:-

Insertion of  
new section 122  
B in Punjab Act  
5 of 2017.

Penalty for failure  
to comply with  
track and trace  
mechanism.

"122 B. 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.”.

13. In the principal Act, after section 148, the following section shall be inserted, namely:-

Insertion of new  
section 148A in  
Punjab Act 5 of  
2017.

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, as may be prescribed;

(b) furnish such information and details within such time and maintain

		such records or documents, in such form and manner, as may be prescribed;
	(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, as may be prescribed;
	(d)	pay such amount in relation to the system referred to in sub-section (2), as may be prescribed.”.
Amendment in schedule III of Punjab Act 5 of 2017.	14.	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 1 <sup>st</sup> 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 <i>Explanation 2</i> , 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 1 <sup>st</sup> day of July, 2017;
	(iii)	after <i>Explanation 2</i> , the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1 <sup>st</sup> day of July, 2017, namely:-  “ <i>Explanation 3</i> .- 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.”.
No refund of tax collected.	15.	No refund shall be made of all such tax which has been collected, but which would not have been so collected, had section 14 been in force at all material times.

**STATEMENT OF OBJECTS AND REASONS**

The Punjab Goods and Services Tax Act, 2017 (the Act) was enacted with a view to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the State Government. With the objective of enhancing compliance under the GST regime, there is a need to amend the Punjab Goods and Services Tax Act, 2017 ("the PGST Act") with a view to maintain uniformity with the provisions of the Central Goods and Services Tax Act, 2017, as amended by the Finance Act, 2025. These are provisions regarding amendment in definition of Input Service Distributor (ISD) so as to include the distribution of Input Tax Credit (ITC) for inter-State supplies on a reverse charge basis, introduction of "unique identification marking" for certain goods under a track-and-trace mechanism along with imposition of penalty of ₹ 1 lakh or 10% of tax payable (whichever is higher) for non-compliance with the track-and-trace mechanism for specified goods, 10% pre-deposit of the penalty amount for filing appeals involving penalties and exemptions for goods warehoused in Special Economic Zones (SEZs) or Free Trade Warehousing Zones before export or clearance to the Domestic Tariff Area and amendment of section 17(5), so as to clarify that "plant and machinery" includes both terms. In order to implement the said changes, it is proposed to amend the Punjab Goods and Services Tax Act, 2017.

**HARPAL SINGH CHEEMA**  
Excise and Taxation Minister, Punjab

**FINANCIAL MEMORANDUM**

The Bill proposes to amend sections 2, 12, 13, 17, 20, 34, 38, 39, 107, 112 and Schedule III and insert new section 122A and 148A in the Punjab Goods and Services Tax Act, 2017 (Punjab Act 5 of 2017), with a view to maintain uniformity with the provisions of the Central Goods and Services Tax Act, 2017, as amended by the Finance Act, 2025. These are provisions regarding amendment in definition of Input Service Distributor (ISD) so as to include the distribution of Input Tax Credit (ITC) for inter-State supplies on a reverse charge basis, introduction of "unique identification marking" for certain goods under a track-and-trace mechanism along with imposition of penalty of ₹ 1 lakh or 10% of tax payable (whichever is higher) for non-compliance with the track-and-trace mechanism for specified goods, 10% pre-deposit of the penalty amount for appeals involving penalties and exemptions for goods warehoused in Special Economic Zones (SEZs) or Free Trade Warehousing Zones before export or clearance to the Domestic Tariff Area, restricting output tax adjustments if recipients fail to reverse ITC or pass on tax burdens and amendment of section 17(5), so as to clarify that "plant and machinery" includes both terms. These provisions do not involve the recurring or non-recurring expenditure from the Consolidated Fund of the State on its enactment as an Act of the State Legislature.

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The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

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CHANDIGARH  
THE 28TH SEPTEMBER, 2025

**R. L. KHATANA,**  
SECRETARY.