

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 27th March, 2020/Chaitra 7, 1942 (Saka)

The following Act of Parliament received the assent of the President on the 27th March, 2020, and is hereby published for general information:—

THE FINANCE ACT, 2020

No. 12 OF 2020

[27th March, 2020.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2020-2021.

BE it enacted by Parliament in the Seventy-first Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Finance Act, 2020.

Short title and
commencement.

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

(a) sections 2 to 104 shall come into force on the 1st day of April, 2020;

(b) sections 116 to 129 and section 132 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of section 2. **118.** In section 2 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the Central Goods and Services Tax Act), in clause (114), for sub-clauses (c) and (d), the following sub-clauses shall be substituted, namely:—

“(c) Dadra and Nagar Haveli and Daman and Diu;

(d) Ladakh;”.

Amendment of section 10. **119.** In section 10 of the Central Goods and Services Tax Act, in sub-section (2), in clauses (b), (c) and (d), after the words “of goods”, the words “or services” shall be inserted.

Amendment of section 16. **120.** In section 16 of the Central Goods and Services Tax Act, in sub-section (4), the words “invoice relating to such” shall be omitted.

Amendment of section 29. **121.** In section 29 of the Central Goods and Services Tax Act, in sub-section (1), for clause (c), the following clause shall be substituted, namely:—

“(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to optout of the registration voluntarily made under sub-section (3) of section 25:”.

Amendment of section 30. **122.** In section 30 of the Central Goods and Services Tax Act, in sub-section (1), for the proviso, the following proviso shall be substituted, namely:—

“Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended,—

(a) by the Additional Commissioner or the Joint Commissioner, as the case may be, for a period not exceeding thirty days;

(b) by the Commissioner, for a further period not exceeding thirty days, beyond the period specified in clause (a).”.

123. In section 31 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 31.

“Provided that the Government may, on the recommendations of the Council, by notification,—

(a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed;

(b) subject to the condition mentioned therein, specify the categories of services in respect of which—

(i) any other document issued in relation to the supply shall be deemed to be a tax invoice; or

(ii) tax invoice may not be issued.”.

124. In section 51 of the Central Goods and Services Tax Act,— Amendment of section 51.

(a) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed.”;

(b) sub-section (4) shall be omitted.

125. In section 109 of the Central Goods and Services Tax Act, in sub-section (6),— Amendment of section 109.

(a) the words “except for the State of Jammu and Kashmir” shall be omitted;

(b) the first proviso shall be omitted.

126. In section 122 of the Central Goods and Services Tax Act, after sub-section (I), the following sub-section shall be inserted, namely:— Amendment of section 122.

“(1A) Any person who retains the benefit of a transaction covered under clauses (i), (ii), (vii) or clause (ix) of sub-section (I) and at whose instance such transaction is conducted, shall be liable to a penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.”.

127. In section 132 of the Central Goods and Services Tax Act, in sub-section (I),— Amendment of section 132.

(i) for the words “Whoever commits any of the following offences”, the words “Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences” shall be substituted;

(ii) for clause (c), the following clause shall be substituted, namely:—

“(c) avails input tax credit using the invoice or bill referred to in clause (b) or fraudulently avails input tax credit without any invoice or bill;”;

(iii) in clause (e), the words “, fraudulently avails input tax credit” shall be omitted.

128. In section 140 of the Central Goods and Services Tax Act, with effect from the 1st day of July, 2017,— Amendment of section 140.

(a) in sub-section (I), after the words “existing law”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;

(b) in sub-section (2), after the words “appointed day”, the words “within such time and” shall be inserted and shall be deemed to have been inserted;

(c) in sub-section (3), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time

and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

(d) in sub-section (5), for the words “existing law”, the words “existing law, within such time and in such manner as may be prescribed” shall be substituted and shall be deemed to have been substituted;

(e) in sub-section (6), for the words “goods held in stock on the appointed day subject to”, the words “goods held in stock on the appointed day, within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted;

(f) in sub-section (7), for the words “credit under this Act even if”, the words “credit under this Act, within such time and in such manner as may be prescribed, even if” shall be substituted and shall be deemed to have been substituted;

(g) in sub-section (8), for the words “in such manner”, the words “within such time and in such manner” shall be substituted and shall be deemed to have been substituted;

(h) in sub-section (9), for the words “credit can be reclaimed subject to”, the words “credit can be reclaimed within such time and in such manner as may be prescribed, subject to” shall be substituted and shall be deemed to have been substituted.

Amendment
of section
168.

129. In section 168 of the Central Goods and Services Tax Act, in sub-section (2), for the words, brackets and figures “sub-section (5) of section 66, sub-section (1) of section 143”, the words, brackets and figures “sub-section (1) of section 143, except the second proviso thereof” shall be substituted.

Amendment
of section
172.

130. In section 172 of the Central Goods and Services Tax Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

Amendment
to Schedule II.

131. In Schedule II to the Central Goods and Services Tax Act, in paragraph 4, the words “whether or not for a consideration,” at both the places where they occur, shall be omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2017.

Retrospective
exemption
from, or levy
or collection
of, central tax
in certain
cases.

132. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 673(E), dated the 28th June, 2017, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 9 of the Central Goods and Services Tax Act, 2017,—

12 of 2017.

(i) no central tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);

(ii) central tax at the rate of six per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

12 of 2017. 15 of 2017.	<p>133. The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 708(E), dated the 30th September, 2019, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under clause (ii) of the proviso to sub-section (3) of section 54 of the Central Goods and Services Tax Act, 2017, read with sub-section (2) of section 9 of the Goods and Services Tax (Compensation to States) Act, 2017, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017.</p>	Retrospective effect to notification issued under clause (ii) of proviso to sub-section (3) of section 54 of Central Goods and Services Tax Act.
	<i>Integrated Goods and Services Tax</i>	
13 of 2017.	<p>134. In section 25 of the Integrated Goods and Services Tax Act, 2017, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.</p>	Amendment of section 25.
13 of 2017.	<p>135. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 666(E), dated the 28th June, 2017, issued by the Central Government, on the recommendations of the Council, in exercise of the power under sub-section (1) of section 5 of the Integrated Goods and Services Tax Act, 2017,—</p> <p>(i) no integrated tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);</p> <p>(ii) integrated tax at the rate of twelve per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).</p> <p>(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.</p>	Retrospective exemption from, or levy or collection of, integrated tax in certain cases.
	<i>Union Territory Goods and Services Tax</i>	
14 of 2017.	<p>136. In section 1 of the Union Territory Goods and Services Tax Act, 2017 (hereinafter referred as the Union Territory Goods and Services Tax Act), in sub-section (2), for the words “Dadra and Nagar Haveli, Daman and Diu”, the words “Dadra and Nagar Haveli and Daman and Diu, Ladakh” shall be substituted.</p>	Amendment of section 1.
	<p>137. In section 2 of the Union Territory Goods and Services Tax Act, in clause (8), for sub-clauses (iii) and (iv), the following sub-clauses shall be substituted, namely:—</p> <p>“(iii) Dadra and Nagar Haveli and Daman and Diu;</p> <p>(iv) Ladakh;”.</p>	Amendment of section 2.
	<p>138. In section 26 of the Union Territory Goods and Services Tax Act, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.</p>	Amendment of section 26.
14 of 2017.	<p>139. (1) Notwithstanding anything contained in the notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 710(E), dated the 28th June, 2017, issued by the Central Government, on the recommendations of the Council, in exercise of the powers under sub-section (1) of section 7 of the Union Territory Goods and Services Tax Act, 2017,—</p> <p>(i) no Union territory tax shall be levied or collected in respect of supply of fishmeal (falling under heading 2301), during the period commencing from the 1st day of July, 2017 and ending with the 30th day of September, 2019 (both days inclusive);</p>	Retrospective exemption from, or levy or collection of, Union territory tax in certain cases.

(ii) Union territory tax at the rate of six per cent. shall be levied or collected in respect of supply of pulley, wheels and other parts (falling under heading 8483) and used as parts of agricultural machinery (falling under headings 8432, 8433 and 8436), during the period commencing from the 1st day of July, 2017 and ending with the 31st day of December, 2018 (both days inclusive).

(2) No refund shall be made of all such tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times.

Goods and Services Tax (Compensation to States)

Amendment
of section 14.

140. In section 14 of the Goods and Services Tax (Compensation to States) Act, 2017, in sub-section (1), in the proviso, for the words “three years”, the words “five years” shall be substituted.

15 of 2017.