

Fifteenth Kerala Legislative Assembly  
Bill No. 224

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**THE KERALA TAXATION LAWS (AMENDMENT)  
BILL, 2024**

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2024

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**A**

***BILL***

*further to amend the Kerala Finance Act, 2008, the Kerala State Goods and Services Tax Act, 2017 and the Kerala Finance Act, 2024.*

*Preamble.—* WHEREAS, it is expedient further to amend the Kerala Finance Act, 2008 (21 of 2008), the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and the Kerala Finance Act, 2024 (18 of 2024) for the purposes hereinafter appearing;

BE it enacted in the Seventy-fifth Year of the Republic of India as follows:-

1. *Short title and commencement.*—(1) This Act may be called the Kerala Taxation Laws (Amendment) Act, 2024.

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

(a) section 2 and 4 of this Act shall be deemed to have come into force on the 1<sup>st</sup> day of August, 2024;

(b) sub-section (34) of section 3 of this Act shall be deemed to have come into force on the 1<sup>st</sup> day of October, 2024;

(c) sub-sections (1) and (8) of section 3 of this Act shall come into force on the 1<sup>st</sup> day of April, 2025;

(d) the remaining provisions of this Act shall come into force on such date as the Government 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.

2. *Amendment of Act 21 of 2008.*—In the Kerala Finance Act, 2008 (21 of 2008), in section 6, after sub-section (5), the following sub-section shall be inserted, namely:—

“(6) Notwithstanding anything contained in this section, in cases where the certificate of settlement under chapter III of the Kerala Finance Act, 2024 (18 of 2024) has been issued on settlement of the arrears pertaining to a specified order, the cess payable under this section on the arrear of tax pertaining to such specified order shall be deemed to be settled under chapter III of the Kerala Finance Act, 2024 (18 of 2024) and the dealer shall be discharged from his liability to make payment of such cess:

Provided that where such cess has already been paid, no refund of the same shall be available.

*Explanation.*—For the purposes of this section, the expressions “arrears of tax or surcharge”, “certificate of settlement”, “specified order” shall have the same meaning as assigned to them in the Kerala Finance Act, 2024 (18 of 2024)”.

3. *Amendment of Act 20 of 2017.*—In the Kerala State Goods and Services Tax Act, 2017 (20 of 2017),—

(1) in section 2, for clause (61), the following clause shall be substituted, namely:—

“(61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20;”;

(2) in section 9, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words and symbols “and un-denatured extra neutral alcohol or rectified spirit used for the manufacture of alcoholic liquor, for human consumption” shall be inserted;

(3) in section 10, in sub-section (5), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(4) after section 11, the following section shall be inserted, namely:—

“11A. *Power not to recover Goods and Services Tax not levied or short-levied as a result of general practice.*—Notwithstanding anything contained in this Act, if the Government is satisfied that, —

(a) a practice was, or is, generally prevalent regarding levy of state tax (including non-levy thereof) on any supply of goods or services or both; and

(b) such supplies were, or are, liable to,—

(i) state tax, in cases where according to the said practice, state tax was not, or is not being, levied; or

(ii) a higher amount of state tax than what was, or is being, levied, in accordance with the said practice,

the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the state tax payable on such supplies, or, as the case may be, the state tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the state tax was not, or is not being levied, or was, or is being, short-levied, in accordance with the said practice.”;

(5) in section 13, in sub-section (3),—

(i) in clause (b), for the words and symbol “by the supplier:”, the words and symbols “by the supplier, in cases where invoice is required to be issued by the supplier; or” shall be substituted;

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

“(c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient:”;

(iii) in the first proviso, after the words, brackets and letter “or clause (b)”, the words, brackets and letter “or clause (c)” shall be inserted;

(6) in section 16, after sub-section (4), the following sub-sections shall be inserted, namely:—

“(5) Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed upto the thirtieth day of November, 2021.

(6) Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,—

(i) filed upto thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or

(ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration,

whichever is later.”;

(7) in section 17, in sub-section (5), in clause (i), for the words, symbol and figures “sections 74, 129 and 130”, the words, figures and symbol “section 74 in respect of any period upto Financial Year 2023-24” shall be substituted;

(8) for section 20, the following section shall be substituted, namely:—

“20. *Manner of distribution of credit by Input Service Distributor.*—(1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.

(2) The Input Service Distributor shall distribute the credit of state tax or integrated tax charged on invoices received by him, including the credit of state or integrated tax in respect of services subject to levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions, as may be prescribed.

(3) The credit of state tax shall be distributed as state tax or integrated tax and integrated tax as integrated tax or state tax, by way of issue of a document containing the amount of input tax credit, in such manner as may be prescribed.”;

(9) in section 21, after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(10) in section 30, in sub-section (2), after the proviso, the following proviso shall be inserted, namely:—

“Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.”;

(11) in section 31,—

(a) in sub-section (3), in clause (f), after the words and figure “of section 9 shall”, the words and symbols “, within the period as may be prescribed,” shall be inserted;

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

“*Explanation.*— For the purposes of clause (f), the expression “supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.”;

(12) in section 35, in sub-section (6), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(13) in section 39, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time, as may be prescribed:

Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.”;

(14) in section 49, in sub-section (8), in clause (c), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(15) in section 50, in sub-section (1), in the proviso, after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(16) in section 51, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(17) in section 54,—

(a) in sub-section (3), the second proviso shall be omitted;

(b) after sub-section (14) and before the explanation, the following subsection shall be inserted, namely:—

“(15) Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero-rated supply of goods or of integrated tax paid on account of zero-rated supply of goods shall be allowed where such zero-rated supply of goods is subjected to export duty.”;



(18) in section 61, in sub-section (3), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(19) in section 62, in sub-section (1), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(20) in section 63, after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(21) in section 64, in sub-section (2), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(22) in section 65, in sub-section (7), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(23) in section 66, in sub-section (6), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;

(24) in section 70, after sub-section (1), the following sub-section shall be inserted, namely: —

“(1A) All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required.”;

(25) in section 73,—

(i) in the marginal heading, after the words “Determination of tax”, the words, figures and symbols “, pertaining to the period upto Financial Year 2023-24,” shall be inserted;

(ii) after sub-section (11), the following sub-section shall be inserted, namely:—

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”;

(26) in section 74,—

(i) in the marginal heading, after the words “Determination of tax”, the words, figures and symbols “, pertaining to the period upto Financial Year 2023-24,” shall be inserted;

(ii) after sub-section (11) and before explanation 1, the following sub-section shall be inserted, namely:—

“(12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.”;

(iii) the explanation 2 shall be omitted;

(27) after section 74, the following section shall be inserted, namely:—

“74A. *Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards.*—(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

(2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.

(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.

(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.

(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—

(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent of tax due from such person or ten thousand rupees, whichever is higher;

(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.

(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(7) The proper officer shall issue the order under sub-section (6) within twelve months from the date of issuance of notice specified in sub-section (2):

Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner of State Tax, or an officer authorised by the Commissioner of State Tax senior in rank to the proper officer but not below the rank of Joint Commissioner of State Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.

(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, may, —

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—

(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i) of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.

(12) The provisions of this section shall be applicable for the determination of tax pertaining to the Financial Year 2024- 25 onwards.

*Explanation 1.*— For the purposes of this section,—

(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;

(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

*Explanation 2.*— For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.”;

(28) in section 75,—

(a) in sub-section (1), after the word and figure “section 74”, the words, symbols, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted;

(b) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause (ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A.”;

(c) for sub-section (10), the following sub-section shall be substituted, namely:—

“(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A.”;

(d) in sub-section (11), after the word and figure “section 74”, the words, symbol, brackets, figures and letter “or sub-section (7) of section 74A” shall be inserted;

(e) in sub-section (12), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74 A” shall be inserted;

(f) in sub-section (13), after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74 A” shall be inserted;

(29) in section 104, in sub-section (1), in the explanation, after the word and figure “section 74”, the words, symbol, brackets, figures and letter “or sub-sections (2) and (7) of section 74A” shall be inserted;

(30) in section 107,—

(a) in sub-section (6), in clause (b), for the words and symbol “twenty-five crore rupees”, the words “twenty crore rupees” shall be substituted;

(b) in sub-section (11), in the second proviso, after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74 A” shall be inserted;

(31) in section 109, after the words “Revisional Authority under this Act”, the words, symbols, brackets and figure “, or for conducting an examination or adjudicating the cases referred to in sub-section (2) of section 171, if so notified under the said section” shall be inserted;

(32) in section 112,—

(a) with effect from the 1<sup>st</sup> day of August, 2024, in sub-section (1), after the words “from the date on which the order sought to be appealed against is communicated to the person preferring the appeal”, the words and symbols “; or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later” shall be inserted;

(b) with effect from the 1<sup>st</sup> day of August, 2024, in sub-section (3), after the words “from the date on which the said order has been passed”, the words and symbols “; or the date, as may be notified by the Government, on the recommendations of the Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later,” shall be inserted;

(c) in sub-section (6), after the words, brackets and figure “after the expiry of the period referred to in sub-section (1)”, the words, bracket and figure “or permit the filing of an application within three months after the expiry of the period referred to in sub-section (3)” shall be inserted;

(d) in sub-section (8), in clause (b),—

(i) for the words “twenty per cent”, the words “ten per cent” shall be substituted;

(ii) for the words “fifty crore rupees”, the words “twenty crore rupees” shall be substituted;

(33) in section 122, with effect from the 1<sup>st</sup> day of October, 2023, in sub-section (1B), for the words “Any electronic commerce operator who”, the words, symbols and figure “Any electronic commerce operator, who is liable to collect tax at source under section 52,” shall be substituted;

(34) after section 122, the following section shall be inserted, namely:—

“122A. *Penalty for failure to register certain machines used in manufacture of goods as per special procedure.*— (1) Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.

(2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where,—

(a) the penalty so imposed is paid; and

(b) the registration of such machine is made in accordance with the special procedure within three days of the receipt of communication of the order of penalty.”;

(35) in section 127, after the words and figures “section 73 or section 74”, the words, figure and letter “or section 74A” shall be inserted;



(36) after section 128, the following section shall be inserted, namely:—

“128A. *Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax periods.*—(1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with,—

(a) a notice issued under sub-section (1) of section 73 or a statement issued under sub-section (3) of section 73, and where no order under sub-section (9) of section 73 has been issued; or

(b) an order passed under sub-section (9) of section 73, and where no order under sub-section (11) of section 107 or sub-section (1) of section 108 has been passed; or

(c) an order passed under sub-section (11) of section 107 or sub-section (1) of section 108, and where no order under sub-section (1) of section 113 has been passed, pertaining to the period from 1<sup>st</sup> July, 2017 to 31<sup>st</sup> March, 2020, or a part thereof, and the said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be, on or before the date, as may be notified by the Government on the recommendations of the Council, no interest under section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed:

Provided that where a notice has been issued under sub-section (1) of section 74, and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a Court in accordance with the provisions of sub-section (2) of section 75, the said notice or order shall be considered to be a notice or order, as the case may be, referred to in clause (a) or clause (b) of this sub-section:

Provided further that the conclusion of the proceedings under this sub-section, in cases where an application is filed under sub-section (3) of section 107 or under sub-section (3) of section 112 or an appeal is filed by an officer of state tax under sub-section (1) of section 117 or under sub-section (1) of section 118 or where any proceedings are initiated under sub-section (1) of section 108, against an order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the Court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the Court or the Revisional Authority, as the case may be, within three months from the date of the said order:

Provided also that where such interest and penalty has already been paid, no refund of the same shall be available.

(2) Nothing contained in sub-section (1) shall be applicable in respect of any amount payable by the person on account of erroneous refund.

(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before the Appellate Authority or Appellate Tribunal or a court, as the case may be, and has not been withdrawn by the said person on or before the date notified under sub-section (1).

(4) Notwithstanding anything contained in this Act, where any amount specified under sub-section (1) has been paid and the proceedings are deemed to be concluded under the said sub-section, no appeal under sub-section (1) of section 107 or sub-section (1) of section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be.”;

(37) in section 171, in sub-section (2), the following proviso and explanation shall be inserted, namely: —

“Provided that the Central Government may by notification, on the recommendations of the Council, specify the date from which the said Authority

shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

*Explanation 1.*—For the purposes of this sub-section, “request for examination” shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

*Explanation 2.*— For the purposes of this section, the expression “Authority” shall include the “Appellate Tribunal”.”;

(38) In schedule III, after paragraph 8 and before explanation 1, the following paragraphs shall be inserted, namely:—

“9. Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax and the integrated tax on the entire amount of premium paid by the insured.

10. Services by the insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.”.

(39) *No refund of tax paid or input tax credit reversed.*—No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed, had sub-section (5) and (6) of section 16 of this Act as amended by the Kerala Taxation Laws (Amendment) Act ....( .....of 2024) been in force at all material times.

4. *Amendment of Act 18 of 2024.*—In the Kerala Finance Act, 2024 (18 of 2024), in section 12, after the proviso, the following proviso shall be inserted, namely:—

“Provided further that, in cases where the certificate of settlement has been issued in respect of all tax or taxes/surcharge pertaining to a year under a relevant Act, all penalty imposed under such relevant Act pertaining to such year, other than the penalty referred to in the proviso to clause (a) of sub-section (1) of section 6 of this Act, shall be deemed to be settled under this Act.”.

5. *Repeal and saving.*—(1) The Kerala Taxation Laws (Amendment) Ordinance, 2024 (2 of 2024) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Kerala Finance Act, 2008 (21 of 2008), the Kerala State Goods and Services Tax Act, 2017 (20 of 2017) and the Kerala Finance Act, 2024 (18 of 2024) as amended by the said Ordinance shall be deemed to have been done or taken under the above said Acts as amended by this Act.

## STATEMENT OF OBJECTS AND REASONS

On the basis of the recommendations of the Goods and Services Tax Council, the Central Government have made certain amendments in the Central Goods and Services Tax Act, 2017, by Central Finance Act, 2024 ( Central Act 8 of 2024) and Central Finance (No.2) Act, 2024 (Central Act 15 of 2024). Corresponding changes are to be made in the Kerala State Goods and Services Tax Act, 2017 for the smooth implementation of the recommendations of the Goods and Services Tax Council. In addition to this, for the implementation of Amnesty scheme, 2024 announced through the Kerala Finance Act, 2024 (18 of 2024), certain amendment is necessary in the said Act and in the Kerala Finance Act, 2008 (21 of 2008).

2. As the Legislative Assembly of the State of Kerala is not in session and the above proposals have to be given effect immediately, the Kerala Taxation Laws (Amendment) Ordinance, 2024 was promulgated by the Governor of Kerala on the 27<sup>th</sup> day of September, 2024 and same was published as Ordinance No.2 of 2024 in the Kerala Gazette Extraordinary No. 3052 dated 27<sup>th</sup> September, 2024.

3. The Bill seeks to replace Ordinance No. 2 of 2024 by an Act of the State Legislature.

## FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (d) of clause 1 of the Bill seeks to empower the Government to appoint date on which certain provisions of the Act shall come into force.

2. In clause 3,—

(i) sub-clause (4), proposed to insert new section 11A, empowers the Government to issue notification regarding state tax payable by suppliers.

(ii) sub-clause (8), proposed to substitute section 20,—

(a) sub-section (2) empowers to prescribe the manner, time, restrictions and conditions for paying tax by a distinct person registered in the state as an Input Service Distributor.

(b) sub-section (3) empowers the Government to prescribe the manner of distribution of credit of state tax.

(iii) sub-clause (10) proposed to insert a new proviso to sub-section (2) of section 30 empowers the Government to prescribe the conditions and restrictions for revocation of cancellation of registration.

(iv) sub-clause (11) proposed to amend clause (f) of sub-section (3) of section 31 empowers the Government to prescribe the time period for issuance of invoice.

(v) sub-clause (13) proposed to substitute sub-section (3) of section 39 empowers the Government to prescribe the form, manner and time for furnishing return electronically to deduct tax at source under section 51 of this Act.

(vi) sub-clause (32) proposed to amend sub-section (1) and (3) of section 112 empowers the Government to notify the date for filing appeal before the appellate authority.

(vii) sub-clause (36) proposed to insert new section 128A empowers the Government to notify the date for the payment of full amount of tax payable and to prescribe the conditions subject to which the proceedings with respect to demand notice issued shall be deemed to be concluded.

3. The matters in respect of which rules may be made or notifications may be issued are matters of procedure and are of routine or administrative in nature. Further, the rules, after they are made, are subject to scrutiny by the Legislative Assembly. The delegation of legislative powers is, thus, of a normal character.

K.N. BALAGOPAL.

EXTRACT FROM THE RELEVANT PORTIONS OF  
THE KERALA FINANCE ACT, 2008 (21 OF 2008)

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6. *Levy and Collection of Cess.*—(1) There shall be levied and collected from dealers a Cess at the rate of one per cent on the tax payable by them under sections 6 and 8 of the Kerala Value Added Tax Act, 2003 (30 of 2004) and section 5 and section 7 of the Kerala General Sales Tax Act, 1963 (15 of 1963), to be called the Social Security Cess, to fulfill the commitment of the Government to provide and finance a comprehensive social security scheme.

(2) Notwithstanding anything contained in sub-section (1) no Cess shall be levied in respect of declared goods as defined in section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956).

(3) The Government may, after due appropriation made by the Legislature by law in this behalf, utilise such sums of money of the Social Security Cess for the purposes specified in sub-section (1).

(4) The provisions of section 30 of the Kerala Value Added Tax Act, 2003 (30 of 2004) and section 22 of the Kerala General Sales Tax Act, 1963 (15 of 1963) shall be applicable for the collection of Cess as per sub-section (1).

(5) The provisions regarding the assessment, input tax credit, special rebate and recovery in the Kerala Value Added Tax Act, 2003 and assessment and recovery in the Kerala General Sales Tax Act, 1963 shall *mutatis mutandis* apply to Cess under this section.

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA  
STATE GOODS AND SERVICE TAX ACT, 2017 (20 OF 2017)

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(61) “Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office;

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9. *Levy and collection.*— (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Kerala State Goods and Services Tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent, as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

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10. *Composition levy.*— (1) Notwithstanding anything to the contrary contained in this Act but subject to the provisions of sub-sections (3) and (4) of section 9, a registered person, whose aggregate turnover in the preceding financial year did not exceed seventy five lakh rupees may opt to pay, in lieu of the tax payable by him under sub-section (1) of section 9, an amount of tax calculated at such rate as may be prescribed, but not exceeding,—

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(5) If the proper officer has reasons to believe that a taxable person has paid tax under sub-section (1) or sub-section (2A), as the case may be, despite not being eligible, such person shall, in addition to any tax that may be payable by him under any other provisions of this Act, be liable to a penalty and the provisions of section 73 or section 74 shall, *mutatis mutandis*, apply for determination of tax and penalty.

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11. *Power to grant exemption from tax.*— (1) Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.

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13. *Time of supply of services.*— (1) The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.

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(3) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely:—

(a) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or

(b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:

Provided that where it is not possible to determine the time of supply under clause (a) or clause (b), the time of supply shall be the date of entry in the books of account of the recipient of supply:

Provided further that in case of supply by associated enterprises, where the supplier of service is located outside India, the time of supply shall be the date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier

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16. *Eligibility and conditions for taking input tax credit.*—(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used

or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.

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(4) A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the thirtieth day of November following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Provided that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for the month of March, 2019 in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details under sub-section (1) of said section for the month of March, 2019

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17. *Apportionment of credit and blocked credits.*— (1) Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.

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(5) Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:—

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(i) any tax paid in accordance with the provisions of sections 74, 129 and 130.

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20. *Manner of distribution of credit by Input Service Distributor.*— (1) The Input Service Distributor shall distribute the credit of State tax as State tax or integrated tax and integrated tax as integrated tax or State tax, by way of issue of document containing the amount of input tax credit being distributed in such manner as may be prescribed.

(2) The Input Service Distributor may distribute the credit subject to the following conditions, namely:—

(a) the credit can be distributed to the recipients of credit against a document containing such details as may be prescribed;

(b) the amount of the credit distributed shall not exceed the amount of credit available for distribution;

(c) the credit of tax paid on input services attributable to a recipient of credit shall be distributed only to that recipient;

(d) the credit of tax paid on input services attributable to more than one recipient of credit shall be distributed amongst such recipients to whom the input service is attributable and such distribution shall be *pro rata* on the basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all such recipients to whom such input service is attributable and which are operational in the current year, during the said relevant period;

(e) the credit of tax paid on input services attributable to all recipients of credit shall be distributed amongst such recipients and such distribution shall be *pro rata* on the basis of the turnover in a State or turnover in a Union territory of such recipient, during the relevant period, to the aggregate of the turnover of all recipients and which are operational in the current year, during the said relevant period.

*Explanation:*—For the purposes of this section,—

(a) the “relevant period” shall be,—

(i) if the recipients of credit have turnover in their States or Union territories in the financial year preceding the year during which credit is to be distributed, the said financial year; or

(ii) if some or all recipients of the credit do not have any turnover in their States or Union territories in the financial year preceding the year during which the credit is to be distributed, the last quarter for which details of such turnover of all the recipients are available, previous to the month during which credit is to be distributed;

(b) the expression “recipient of credit” means the supplier of goods or services or both having the same Permanent Account Number as that of the Input Service Distributor;

(c) the term “turnover”, in relation to any registered person engaged in the supply of taxable goods as well as goods not taxable under this Act, means the value of turnover, reduced by the amount of any duty or tax levied under entries 84 and 92A of List I of the Seventh Schedule to the Constitution and entry 51 and 54 of List II of the said Schedule

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21. *Manner of recovery of credit distributed in excess.*— Where the Input Service Distributor distributes the credit in contravention of the provisions contained in section 20 resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from such recipients along with interest, and the provisions of section 73 or section 74, as the case may be, shall, *mutatis mutandis*, apply for determination of amount to be recovered.

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30. *Revocation of cancellation of registration.*— (1) Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in such manner, within such time and subject to such conditions and restrictions, as may be prescribed.

(2) The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application:

Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.

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31. *Tax invoice.*—(1) A registered person supplying taxable goods shall, before or at the time of,—

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(3) Notwithstanding anything contained in sub-sections (1) and (2),—

(f) a registered person who is liable to pay tax under sub-section (3) or

sub-section (4) of section 9 shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both;

(g) a registered person who is liable to pay tax under sub-section (3) or sub-section (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier.

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35. *Accounts and other records.*—(1) Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of,—

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(6) Subject to the provisions of clause (h) of sub-section (5) of section 17, where the registered person fails to account for the goods or services or both in accordance with the provisions of sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74, as the case may be, shall, *mutatis mutandis*, apply for determination of such tax.

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39. *Furnishing of returns.*—(1) Every registered person, other than an Input Service Distributor or a non- resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed:

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(3) Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions have been made within ten days after the end of such month.

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49. *Payment of tax, interest, penalty and other amounts.*—(1) Every deposit made towards tax, interest, penalty, fee or any other amount by a person by internet banking or by using credit or debit cards or National Electronic Fund Transfer or Real Time Gross Settlement or by such other mode and subject to such conditions and restrictions as may be prescribed, shall be credited to the electronic cash ledger of such person to be maintained in such manner as may be prescribed.

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(8) Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:—

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(c) any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74.

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50. *Interest on delayed payment of tax.*—(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period

prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent, as may be notified by the Government on the recommendations of the Council.

Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.

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51. *Tax deduction at source.*—(1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate,—

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(7) The determination of the amount in default under this section shall be made in the manner specified in section 73 or section 74.

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54. *Refund of tax.*—(1) Any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed:

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(3) Subject to the provisions of sub-section (10), a registered person may claim refund of any un utilised input tax credit at the end of any tax period:

Provided that no refund of un utilised input tax credit shall be allowed in cases other than,—

(i) Zero -rated supplies made without payment of tax;

(ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council:

Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both claims refund of the integrated tax paid on such supplies.

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(14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.

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61. *Scrutiny of returns.*—(1) The proper officer may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner as may be prescribed and seek his explanation thereto.

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(3) In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74.

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62. *Assessment of non-filers of returns.*—(1) Notwithstanding anything to the contrary contained in section 73 or section 74, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgment taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.

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66. *Special audit.*—(1) If at any stage of scrutiny, inquiry, investigation or any other proceedings before him, any officer not below the rank of Assistant Commissioner, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that the value has not been correctly declared or the credit availed is not within the normal limits, he may, with the prior approval of the Commissioner, direct such registered person by a communication in writing to get his records including books of account examined and audited by a chartered accountant or a cost accountant as may be nominated by the Commissioner.

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(6) Where the special audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.

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70. *Power to summon persons to give evidence and produce documents.*—(1) The proper officer under this Act shall have power to summon any person whose attendance he considers necessary either to give evidence or to produce a document or any other thing in any inquiry in the same manner, as provided in the case of a Civil Court under the provisions of the Code of Civil Procedure, 1908 (Central Act 5 of 1908).

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73. *Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful-misstatement or suppression of facts.*—

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(11) Notwithstanding anything contained in sub-section (6) or sub-section (8), penalty under sub-section (9) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.

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74. *Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful-misstatement or suppression of facts.*—

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(11) Where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.

*Explanation 1:*— For the purposes of section 73 and this section,—

(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;

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75. *General provisions relating to determination of tax.*—(1) Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74, as the case may be.

(2) Where any Appellate Authority or Appellate Tribunal or court concludes that the notice issued under sub-section (1) of section 74 is not sustainable for the reason that the charges of fraud or any wilful misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the proper officer shall determine the tax payable by such person, deeming as if the notice were issued under sub-section (1) of section 73.

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(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within three years as provided for in sub-section (10) of section 73 or within five years as provided for in sub-section (10) of section 74.

(11) An issue on which the Appellate Authority or the Appellate Tribunal or the High Court has given its decision which is prejudicial to the interest of revenue in some other proceedings and an appeal to the Appellate Tribunal or the High Court or the Supreme Court against such decision of the Appellate Authority or the Appellate Tribunal or the High Court is pending, the period spent between

the date of the decision of the Appellate Authority and that of the Appellate Tribunal or the date of decision of the Appellate Tribunal and that of the High Court or the date of the decision of the High Court and that of the Supreme Court shall be excluded in computing the period referred to in sub-section (10) of section 73 or sub-section (10) of section 74 where proceedings are initiated by way of issue of a show cause notice under the said sections.

(12) Notwithstanding anything contained in section 73 or section 74, where any amount of self-assessed tax in accordance with a return furnished under section 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of section 79.

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(13) Where any penalty is imposed under section 73 or section 74, no penalty for the same act or omission shall be imposed on the same person under any other provision of this Act.

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104. *Advance ruling to be void in certain circumstances.*—(1) Where the Authority or the Appellate Authority or the National Appellate Authority finds that advance ruling pronounced by it under sub-section (4) of section 98 or under sub-section (1) of section 101 or under section 101C of the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017), has been obtained by the applicant or the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void *ab-initio* and thereupon all the provisions of this Act or the rules made thereunder shall apply to the applicant or the appellant as if such advance ruling had never been made:

Provided that no order shall be passed under this sub-section unless an opportunity of being heard has been given to the applicant or the appellant.

Explanation:—The period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded while computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74.

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107. *Appeals to Appellate Authority.*—(1) Any person aggrieved by any decision or order passed under this Act or the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017) by an adjudicating authority may appeal to such Appellate Authority as may be prescribed within three months from the date on which the said decision or order is communicated to such person.

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(6) No appeal shall be filed under sub-section (1), unless the appellant has paid,—

(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and

(b) a sum equal to ten per cent of the remaining amount of tax in dispute arising from the said order, subject to a maximum of twenty-five crore rupees in relation to which the appeal has been filed.

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(11) The Appellate Authority shall, after making such further inquiry as may be necessary, pass such order, as it thinks just and proper, confirming, modifying or annulling the decision or order appealed against but shall not refer the case back to the adjudicating authority that passed the said decision or order:

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Provided further that where the Appellate Authority is of the opinion that any tax has not been paid or short-paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, no order requiring the appellant to pay such tax or input tax credit shall be passed unless the appellant is given notice to show cause against the proposed order and the order is passed within the time limit specified under section 73 or section 74

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109. *Constitution of Appellate Tribunal and Benches thereof.*—Subject to the provisions of this Chapter, the Goods and Services Tax Tribunal constituted under the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017) shall be the

Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority under this Act.

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112. *Appeals to Appellate Tribunal.*—(1) Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017) may appeal to the Appellate Tribunal against such order within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal.

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(3) The Commissioner may, on his own motion, or upon request from the Commissioner of central tax, call for and examine the record of any order passed by the Appellate Authority or the Revisional Authority under this Act or under the Central Goods and Services Tax Act, 2017 (Central Act 12 of 2017) for the purpose of satisfying himself as to the legality or propriety of the said order and may, by order, direct any officer subordinate to him to apply to the Appellate Tribunal within six months from the date on which the said order has been passed for determination of such points arising out of the said order as may be specified by the Commissioner in his order.

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(6) The Appellate Tribunal may admit an appeal within three months after the expiry of the period referred to in sub-section (1), or permit the filing of a memorandum of cross-objections within forty five days after the expiry of the period referred to in sub-section (5), if it is satisfied that there was sufficient cause for not presenting it within that period.

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(8) No appeal shall be filed under sub-section (1), unless the appellant has paid,—

(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and



(2) The Central Government may, on recommendations of the Council, by notification, constitute an Authority, or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.

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### SCHEDULE III

[See section 7]

ACTIVITIES OR TRANSACTIONS WHICH SHALL BE TREATED  
NEITHER AS A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES

1. Services by an employee to the employer in the course of or in relation to his employment.

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8. (a) Supply of warehoused goods to any person before clearance for home consumption;

(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.

*Explanation 1.*— For the purposes of paragraph 2, the term “court” includes District Court, High Court and Supreme Court.

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EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA  
FINANCE ACT, 2024 (18 OF 2024)

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12. *Total waiver of certain amounts.*—Notwithstanding anything contained in the relevant Act or the scheme, where on the date of commencement of the scheme, the arrears of tax or surcharge in a specified order is rupees fifty thousand or less, the entire amount of arrears of tax, surcharge, interest or penalty under that specified order shall be the amount waived:

Provided that, in the case where the evidence, details and records pertaining to the penalty levied are not utilized or not liable to be utilized for any best judgment assessment under the relevant Act and if the tax or surcharge relating to such penalty is rupees fifty thousand or less, such tax or surcharge shall be deemed to be the arrears of tax or surcharge for the purpose of this section

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