



Office of the Commissioner of the State Goods and Services Tax
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SGST Policy Division

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No. SGST/1430/2025-PLC6

Date: 15-03-2025

Instruction No. 06/2025 - Kerala SGST

Subject: SGSTD - Implementation of Section 128A of the KSGST Act - Waiver of interest or penalty or both relating to demands raised under section 73, for certain tax periods - instructions – issued - reg.

1. The 53rd meeting of the GST Council recommended to facilitate the waiver of interest or penalty or both, demanded under section 73 of the GST Act pertaining to Financial Years 2017-18, 2018-19, and 2019-20, subject to certain conditions. Based on the recommendations of the council, to bring the provision of such waiver, amendments have been brought in KSGST Act 2017(hereinafter referred to as the 'KSGST Act' or 'the Act') and inserted Section 128A with effect from 01.11.2024. The procedures for availing the benefit of the scheme and the process flow by the proper officer have been described in Rule 164 of the KGST Rules, 2017.
2. In order to avail the scheme, any person who is eligible to avail the benefit of the scheme has to make payment of the tax demanded under section 73 of the the said Act and file an application in Form GST SPL-01 in the common portal in case where the adjudication is pending.
3. In cases wherein the demand order has been issued, to avail the benefit of the scheme, the application has to be filed in FORM GST SPL -02, after crediting the tax amount in the electronic liability register against the debit entry created by the said order. If the payments are already made in DRC-03 against a demand order, the taxpayers shall file an application in FORM GST DRC-03A, as prescribed in sub-rule (2B) of

rule 142 before submitting the application in FORM GST SPL 02 to adjust the payments made through FORM GST DRC 03 against the outstanding demand in the electronic liability ledger

4. As per the provisions of the Act, the applications filed in FORM GST SPL-01 and in FORM GST SPL-02 are to be verified and processed by the proper officer within the time limit stipulated in the statute.

5. The field formations are raising doubts and seeking clarification on the processing of the application received in this regard. In order to streamline the process and to ensure uniformity across the field formation, in exercise of the powers conferred under section 168 of the Act, the following instructions are issued for strict compliance;

a. The Model-2 back office system is designed in such a way that the applications submitted under Section 128A of the said Act, in FORM GST SPL-01, will be assigned, to the officers already handling such ARN, Case ID, or Demand ID, ie. in the seat where such adjudication is pending. However, by this time, the time limit for adjudicating orders under Section 73 of the Act for financial years up to the financial year 2019-20, have already been exhausted, and such applications are not expected to arise.

b. For cases where demand orders have already been issued and the taxpayer has not filed any statutory appeals within the prescribed time limit, such cases are now ripe for recovery u/s 79 of the Act and have been allocated to the Recovery Cell for further action. The amnesty applications filed against such orders, system will allocate the such applications filed to the officers in the Recovery Cell to settle the demand of interest and penalty. As, these applications need detailed verification of payments, documents related to the demand, and demands to be settled as per the provisions of sub-sections (5) and (6) of section 16, it will not be proper to process such cases in the Recovery Cell. Therefore, the Deputy Commissioners/Assistant Commissioner/State Tax Officers in the Recovery Cell are instructed to re-assign such applications (FORM GST SPL-02) to the concerned Taxpayer Service Circle for processing such applications.

c. The proper officers in the taxpayer service vertical shall process the applications received u/s 128A of the Act including those applications received consequent to such re-assignment in the manner as prescribed in Rule 164 of the KGST Rules, adhering to the pecuniary limit instruction issued as per the Circular

No.05/2023 dated:08.01.2023 issued by the State GST Department.

- d. The State Back Office admin or the District Back Office admin shall give necessary guidance or assistance to the officers in the Recovery Cell for re-assigning such cases to the proper officers in the Taxpayer Service Vertical.
6. Difficulty, if any, in the implementation of the above instructions may please be brought to the notice of the undersigned.


15/03/23

AJIT PATIL I A S
COMMISSIONER

To

All Concerned