

**Office Of The Commissioner Of State Goods and Services Tax  
Department, Tax Towers, Karamana, Thiruvananthapuram SGST  
Policy Division**

**SGST Policy Division**

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No/SGST/23/2025-PLC9

Dated:13-02-2025

**Circular No. 5/2025-Kerala SGST**

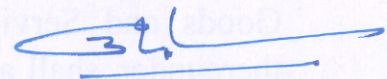
Sub: Kerala State Goods & Services Tax Department- Kerala Flood Cess-  
Adjudication – further instructions issued-reg:

Ref: Circular No. 18/2024 dated 18-10-2024

1. It has come to notice that several officers are insisting on issuing separate notices under Section 73/74 of the KSGST/CGST Act 2017 for non-payment or short payment of the Kerala Flood Cess. However, as per Rule 3(7) of the Kerala Flood Cess Rules, 2019, the provisions of the Kerala State Goods and Services Tax Act, 2017, and the Central Goods and Services Tax Act, 2017, along with the rules framed thereunder, shall as far as may be, mutatis mutandis to cases of short levy, non-levy, or other discrepancies related to the Kerala Flood Cess. Therefore, any instance of short payment or non-payment of the Kerala Flood Cess can also be proceeded under the provisions of Section 73/74 along with other discrepancies noticed under SGST/CGST Act. Hence the following instructions are issued for strict compliance.
2. If any short payment /non-payment of Kerala Flood Cess is noticed during an audit,intelligence or scrutiny action, such short payments/non-payments shall be proceeded along with other issues found on audit,intelligence or scrutiny and a single show cause notice prepared under section 73 or section 74 shall be served, as the case

may be. A separate notice for kerala flood cess is not required in such similar cases.

3. As per the provisions of SGST/CGST Rules, show cause notice is to be issued along with a summary thereof electronically in FORM GST DRC-01 . However, such functionality is not available for Kerala Flood Cess in the back office portal. Consequently, the summary thereof in FORM GST DRC-01 cannot be served electronically in respect of Kerala Flood Cess. To address the issue, a separate summary shall be drafted manually in FORM GST DRC-01 and to be served electronically through e - mail or any of the methods prescribed under section 169 of the CGST/SGST Act.
4. Similarly when such notices are adjudicated, the proper officer can include the Flood Cess demand along with the GST demand in the same adjudication order prepared to be uploaded in the portal. Since the Flood Cess liability cannot be created in the Electronic Liability ledger(PMT01) through DRC 07, Officers shall prepare a manual DRC-07 for flood cess demand and the same shall be communicated to the taxpayer electronically through e - mail or any of the methods prescribed under section 169 of the CGST/SGST Act.
5. In cases where the sole issue to be addressed in the show cause notice pertains exclusively to Kerala flood cess, the matter shall be proceeded as per the instructions issued in the circular referred above.
6. It shall be ensured that all the communications made to taxpayers as referred above shall contain a computer generated reference number (RFN) as per the instructions in Circular No 14/2023 dtd 22.7.2023
7. Difficulties faced, if any, in the implementation of this circular may be informed at the earliest.



AJIT PATIL I A S  
COMMISSIONER

To

All Concerned