

**GOVERNMENT OF KERALA**  
**Taxes (B) Department**  
**NOTIFICATION**

G.O.(P) No. /2017/TD

Dated, Thiruvananthapuram, .....th October 2017

**S.R.O. No...../2017.**– In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Kerala Goods and Services Tax Ordinance, 2017 (11 of 2017), the Government of Kerala, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments to the notification issued under G.O.(P) No. 72/2017/TAXES, dated the 30th June, 2017 and published as S.R.O. No. 370/2017 in the Kerala Gazette, Extra Ordinary No. 1360 dated 30th June 2017, namely:

AMENDMENT

In the said notification,-

(i) in the Table, -

(a) against serial number 3, -

- A. in item (iii), in column (3), for the words “Government, a local authority or a Governmental authority”, the words “Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity” shall be substituted;
- B. in item (vi), in column (3), for the words “a local authority or a Governmental authority” the words “a local authority, a Governmental Authority or a Government Entity” shall be substituted;
- C. in items (iii) and (vi), in column (5), for the existing entry, the following entry shall be substituted, namely: -
- “Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be”;
- D. for item (vii), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

“(vii) Composite supply of works contract as defined in clause (119) of section 2 of the Kerala State Goods and Services Tax Act, 2017, involving predominantly	2.5	Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work
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GO P/148/2017/TAXES

earth work (that is, constituting more than 75 per cent. of the value of the works contract) provided to the Central Government, State Government, Union territory, local authority, a Governmental Authority or a Government Entity.		entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be
(viii) Composite supply of works contract as defined in clause (119) of section 2 of the Kerala State Goods and Services Tax Act, 2017 and associated services, in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles from the nearest point of the appropriate base line.	6	-
(ix) Construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above.	9	-”;

(b) against serial number 8, for item (ii), in column (5), for the word “or” the word “and” shall be substituted.

(c) against serial number 8, for item (vi), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
“(vi) Transport of passengers by any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service, other than the input tax credit of input service in the same line of business (i.e. service procured from another service provider of transporting passengers in a motor vehicle or renting of a motor vehicle), has not been taken. [Please refer to <i>Explanation</i> no. (iv)]
		or
	6	-“

(d) against serial number 9, for item (v), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

GO P/148/2017/TAXES

(3)	(4)	(5)
“(v) Transportation of natural gas through pipeline	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to Explanation no. (iv)]
	or	
	6	-
“(vi) Goods transport services other than (i), (ii), (iii), (iv) and (v) above	9	-”;

(e) against serial number 10, for item (i), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
“(i) Renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service, other than the input tax credit of input service in the same line of business (i.e. service procured from another service provider of transporting passengers in a motor vehicle or renting of a motor vehicle) has not been taken. [Please refer to Explanation no. (iv)]
	or	
	6	-“

(f) against serial number 15, for item (v), in columns (3), (4) and (5) and the entries relating thereto, the following shall be substituted, namely: -

(3)	(4)	(5)
“(v) Leasing of motor vehicles purchased and leased prior to 1st July 2017;	65 per cent. of the rate of state tax as applicable on supply of like goods involving transfer of title in goods. Note:- Nothing contained in this entry shall apply on or after 1st July, 2020.	-
“(vi) Financial and related services other	9	-”;

than (i), (ii), (iii), (iv), and (v) above.		
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- (g) against serial number 17, for item (vi) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely: -

“(vi) Leasing of motor vehicles purchased and leased prior to 1st July 2017;	65 per cent. of the rate of state tax as applicable on supply of like goods involving transfer of title in goods. Note:- Nothing contained in this entry shall apply on or after 1st July, 2020.	-
(vii) Leasing or rental services, with or without operator, other than (i), (ii), (iii), (iv), (v) and (vi) above.	Same rate of state tax as applicable on supply of like goods involving transfer of title in goods.	-”

- (h) against serial number 26, in column (3), -

- (i) in item (i), for sub-item (c), the following sub-item shall be substituted, namely: -  
“(c) all products falling under Chapter 71 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);”;
- (ii) in item (i), after sub-item (d), the following sub-item shall be inserted, namely: -  
“(da) printing of all goods falling under Chapter 48 or 49, which attract KSGST @ 2.5 per cent. or Nil;”
- (iii) in item (i), after sub-item (e), the following sub-items shall be inserted, namely: -  
“(f) all food and food products falling under Chapters 1 to 22 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);  
  
(g) all products falling under Chapter 23 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), except dog and cat food put up for retail sale falling under tariff item 23091000 of the said Chapter;  
  
(h) manufacture of clay bricks falling under tariff item 69010010 in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);”;
- (iv) after item (i), in columns (3), (4) and (5) and the entries relating thereto, the following shall be inserted, namely: -

(3)	(4)	(5)
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“(ia) Services by way of job work in relation to- (a) manufacture of umbrella; (b) printing of all goods falling under Chapter 48 or 49, which attract KSGST @ 6per cent.	6	-”;
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- (v) in item (ii), after sub-item (b), the following sub-item shall be inserted, namely: -  
“(c) printing of all goods falling under Chapter 48 or 49, which attract KSGST @ 2.5 per cent. or Nil.”;

- (vi) after item (ii), in columns (3), (4) and (5) in column (3) and the entries relating thereto, the following shall be inserted, namely: -

(3)	(4)	(5)
“(iia) Services by way of any treatment or process on goods belonging to another person, in relation to printing of all goods falling under Chapter 48 or 49, which attract KSGST @ 6per cent.	6	-”;

- (vii) in item (iii), for the word, brackets and figures “and (ii)” the figures, brackets, letters and word “, (ia), (ii) and (iia)” shall be substituted;

- (i) against serial number 27, for item (i), in columns (3), (4) and (5) and the entries relating thereto in, the following shall be substituted, namely: -

(i) Services by way of printing of all goods falling under Chapter 48 or 49 [including newspapers, books (including Braille books), journals and periodicals], which attract KSGST @ 6 per cent. or 2.5per cent. or Nil, where only content is supplied by the publisher and the physical inputs including paper used for printing belong to the printer.	6	-”;
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- (ii) in paragraph 2, for the words, brackets and figures “at item (i)”, the words, brackets, figures and letters, “at item (i), item (iv) [sub-item (b), sub-item (c) and sub-item (d)], item (v) [sub-item (b), sub-item (c) and sub-item (d)], item (vi) [sub-item (c)]” shall be substituted;

- (iii) in paragraph 4, after clause (viii), the following clause shall be inserted, namely: -

- “(ix) “Governmental Authority” means an authority or a board or any other body, -  
(i) set up by an Act of Parliament or a State Legislature; or  
(ii) established by any Government,  
with 90per cent. or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.

- (x) “Government Entity” means an authority or a board or any other body including a society, trust, corporation,  
i) set up by an Act of Parliament or State Legislature; or  
ii) established by any Government,  
with 90per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority.”

2. This notification shall come into force with effect from the 13<sup>th</sup> day of October 2017.

By order of the Governor,

MINHAJ ALAM,

*Secretary to Government*

### **Explanatory Note**

(This does not form part of the notification, but is intended to indicate the general purport.)

As per the decision taken in the 22<sup>nd</sup> GST Council meeting, the government has decided to rationalize the tax on certain job work services. At present, rate of tax of 2.5% without ITC and 6% with full ITC is applicable in the case of passenger transport services and rental services of transport vehicles using motor cabs. Govt has decided to extend this facility to any motor vehicles designed to carry passengers. In the case of goods transport services, the tax rate of transporting natural gas through pipeline is reduced to 2.5% with ITC and 6% without ITC. Govt has also decided to notify the tax rate of leasing of motor vehicles purchased and leased prior to 1<sup>st</sup> July 2017 as 65% of the rate of state tax applicable on the supply of such goods. Consequential amendments are also made.

The notification is intended to achieve the above objective.