NATION TAX MARKET	**APPELLATE AUTHORITY FOR ADVANCE RULING, KERALA (U/s.101 OF THE KERALA/ CENTRAL GOODS AND SERVICES TAX ACT, 2017)**	KERALA GST

Members present:

S K Rahman , IRS
Chief Commissioner
Central Tax, Central Excise & Customs
Thiruvananthapuram Zone

Patil Ajit Bhagwatrao, IAS,
Commissioner
State Goods & Services Tax
Kerala.

Name and Address of the Appellant	M/s. Manappuram Finance Ltd, W-4/638A, Manappuram House, Valappad, Thrissur.
GSTIN	32AABCM6882E1ZK
ARN	AD3205250014898
Advance ruling against which appeal is filed	KER 13/2023 dated: 03.04.2023
Date of filing Appeal	27.06.2023.
Date of Personal Hearing	14.05.2025.
Authorized Representative	Sri. K.R. Ramankutty, FCA

ORDER No. AAAR/01/2025 Dated: 09/09/2025

1. The appeal stands filed under section 100(1) of the GST Act, 2017, by M/s. Manappuram Finance Ltd, having a registered office at W-4/638A, Manappuram House, Valappad, Thrissur, bearing GSTIN 32AABCM6882E1ZK (hereinafter also referred as the appellant). The appeal stands filed against the

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA THIRUVANANTHAPURAM

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

Advance ruling Order No: KER/13/2023 dated 03.04.2023 pronounced by the Kerala Authority for Advance ruling.

2. At the outset, the provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as CGST Act) and the Kerala State Goods and Services Tax Act, 2017 (hereinafter referred to as KSGST Act) are same except for certain provisions. Accordingly, a reference hereinafter to the provisions of the CGST Act, Rules and the Notifications issued there under shall include a reference to the corresponding provisions of the KSGST Act, Rules and the Notifications issued thereunder.

3.Brief facts of the case:

3.1. The brief facts of the appeal are as follows. The appellant is an NBFC registered under GST law with GSTIN 32AABCM6882E1ZK and their major incomes come from Gold loan, money transfer, purchase and sale of foreign currency etc. The applicant owns 58 cents of land in Trichur District, which was indicated to be 'wetland' in the village records and they wanted to change it to 'dryland' for construction of office at the said premises. For this change, the appellant paid the applicable fee paid to the Government. The fee is prescribed under the Kerala Conservation of Paddy Land and Wetland Act, 2018. They filed an Advance Ruling application in order to clarify the taxability of the said payment. The Personal Hearing in this regard was conducted on 08-12-2021 and Ruling was issued on 03-04-2023. The appellant wants to know if the payment made to Government for "change of description of land from wetland to dryland" was liable to GST on Reverse Charge basis as affirmed by AAR. In this regard the appellant submits as follows:-

(i) there was no supply as per Notification No. 14/2017; and

(ii) there was no consideration for rendering any service, service tax liability is not attracted and consequently reverse charge liability also is not attracted.

The AAR ruled that the conversion of un-notified land (registered as paddy land or wetland) for residential, commercial, or other uses, even with conditions and fees, is not considered a function entrusted to Panchayats under Article 243 G of the Constitution (Eleventh Schedule, Sl. No. 1, 2, or 3). Furthermore, the fee levied for this conversion is deemed a "consideration," meaning the activity does not fall under Notification No. 14/2017 Central Tax dated 28.06.2017.

3.2. Aggrieved by this order, the appellants filed the present appeal against the Authority for Advance Ruling's order. The contentions in the appeal are as follows.

3.2.1. The appellant submits that the Original Authority erred in its observation that (i) the activity of converting wetland to dry land in the Village Office records does not fall within the ambit of any of the functions entrusted to Panchayats as listed under the Eleventh Schedule read with Article 243G of the Constitution, and (ii) the fee charged for such conversion amounts to consideration within the meaning of the CGST Act, 2017. In order to determine the applicability of GST on the activity in question, it is essential to evaluate whether: (i) there is a supply of service within the meaning of Section 7 of the CGST Act, 2017; (ii) such supply is made for a consideration; (iii) the transaction undertaken by the Government is in the capacity of a public authority, and whether such activity is covered under exemptions notified under the CGST Act. Section 9 of the CGST Act, 2017, being the charging section, mandates levy of tax on all intra-state supplies of goods or services. Section 7 defines 'supply' to include sale, transfer, barter, and exchange, license, etc., made or agreed to be made for a

consideration in the course or furtherance of business. Hence, a transaction will be taxable only if there is (a) supply; (b) consideration; and (c) such supply is not covered under any exemption. In the present case, there is no agreement between the appellant and the Government for the provision of any specific service. The appellant submits that the payment made to the Government is a statutory fee prescribed under Section 27A of the Kerala Conservation of Paddy Land and Wetland Act, 2008, and is not made pursuant to any commercial agreement for service. The Notice dated 21.10.2020 is a statutory communication requiring payment for administrative changes in land records and does not constitute a contract for service provision.

3.2.2. Moreover, even assuming but not admitting that there is a supply of service, Notification No. 14/2017-Central Tax (Rate) dated 28.06.2017 clarifies that any service provided by Central/State Government or a local authority in relation to the functions entrusted to a Panchayat under Article 243G of the Constitution shall be treated neither as a supply of goods nor a supply of service. The Eleventh Schedule of the Constitution (read with Article 243G) outlines the functions entrusted to Panchayats, which include inter alia:

i- Agriculture, including agricultural extension;

ii- Land improvement, implementation of land reforms, land consolidation and soil conservation;

iii- Minor irrigation, water management and watershed development; and several others.

3.2.3. The Kerala Conservation of Paddy Land and Wetland Act, 2008 (as amended) is intended to preserve wetland and promote agricultural development. Section 27A provides for a statutory mechanism to permit land use change from paddy/wetland to other purposes. The Revenue Divisional Officer is required to ensure that the conversion does not affect the free flow of water to

neighbouring paddy fields and that conservation measures are in place. Section 5 of the Act also provides for a Local Level Monitoring Committee constituted at the Panchayat/Municipal level to monitor implementation. These activities clearly fall within the scope of land improvement, soil conservation, and water management-functions specifically entrusted to Panchayats. Therefore, the Government's role in administering such changes is directly related to a constitutional function under Article 243G.

3.2.4. In this context, the appellant placed reliance on Circular No. 89/7/2006-ST dated 18.12.2006, issued by the CBEC in the context of the Service Tax regime, which continues to have persuasive value under GST. The circular states: "Activities assigned to and performed by sovereign/public authorities under the provisions of any law are statutory duties. The fee or amount collected as per the provisions of the relevant statute for performing such functions is in the nature of a compulsory levy and are deposited into the Government account. Such activities are purely in public interest and are undertaken as mandatory and statutory functions. These are not to be treated as services provided for a consideration." The above legal principle has also been reaffirmed by the Hon'ble Supreme Court in *Central GST Delhi v. Delhi International Airport Ltd.*, (2023) 6 Centax 199 (SC). The Court held that amounts collected under the authority of a statute are not liable to GST if not linked to a contractual provision of service. Similarly, in *Manonmaniam Sundaranar University v. Joint Director (GST Intelligence)*, Coimbatore Zonal Unit, 2022 (58) G.S.T.L. 27 (Mad.), the Hon'ble Madras High Court clarified that statutory levies do not amount to consideration for supply.

3.2.5. Based on the above, the appellant submits that the activity of changing land classification under Section 27A of the Kerala Conservation of Paddy Land and Wetland Act, 2008 is an activity undertaken by the Government as a public

authority, in discharge of a constitutional function, and falls squarely within the exemption under Notification No. 14/2017-Central Tax (Rate). Thus, there is no supply, no consideration, and hence no GST liability- neither under forward nor reverse charge mechanism. Further, without prejudice to the above, they further submitted that even if the activity is assumed to be a supply, there is no element of 'agreement to render service' between the Government and the appellant, which is fundamental for the imposition of GST under the CGST Act, 2017. The payment is a statutory fee, and not a quid pro quo consideration.

3.2.6. Additionally, the order passed by the AAR is barred by limitation. As per Section 98(6) of the CGST Act, 2017, the Authority is required to pronounce its ruling within 90 days from the date of receipt of the application. The application in this case was filed on 20.07.2021, while the order was passed on 03.04.2023, far beyond the statutory time limit. Therefore, the ruling is void ab initio.

4. Grounds of Appeal:

4.1. The appellant contended that there was no supply of service and no consideration was paid. The same is examined as below.

4.2. Section 7 of the CGST Act defines "supply" to include all forms of services made for a consideration in the course or furtherance of business. The permission granted under Section 27A, though statutory, involves a specific act performed by the Government on application—namely, granting conversion approval for private benefit. The fee charged is directly linked to this activity and confers a measurable benefit to the applicant, who can now commercially or residentially use the converted land.

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA THIRUVANANTHAPURAM

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

4.3. Multiple judicial authorities have held that regulatory and permission-granting activities by the Government, even under statute, constitute a supply of service if they confer a private benefit and involve a fee.

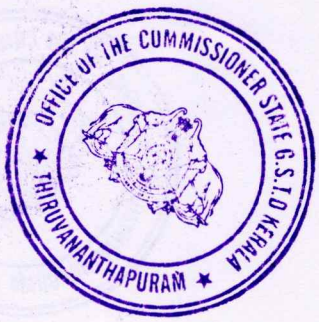
4.4. ***Reliance Infrastructure Ltd.*, Maharashtra AAR, GST-ARA Application No. 11 (order proceedings dated 21.03.2018 / application dated 22.12.2017).** These rulings reject the argument that statutory fees are not consideration where an exclusive benefit is conferred.

4.5. Thus, the activity constitutes a "supply of service" for consideration and is taxable under reverse charge in terms of Notification No. 13/2017-Central Tax (Rate), Entry 5.

4.6. The appellant contended that there was no agreement to provide service by Government. The same is examined as below.

4.7. While the Eleventh Schedule does list "land improvement" and "soil conservation" as functions of Panchayats, the appellant has not shown that the RDO (a State Government functionary) is acting *on behalf of or under delegation from the Panchayat.* The permission granted under Section 27A is a regulatory function under a State law (Kerala Conservation of Paddy Land and Wetland Act, 2008), and not a service rendered *by or on behalf of a Panchayat.* Thus stating that there was no agreement is not a right argument.

4.8. The Notification No. 12/2017 exempts only services "by a Governmental Authority or a local authority" in relation to functions under Article 243G. Here, the activity involves a conditional regulatory approval by the State Government's Revenue authority, and not a devolved Panchayat function. Hence, the exemption under the notification is not applicable.



4.9 The appellant relied upon case law of CESTAT, (2023) 8 Centax 98 (Tri.-Del) Employees Provident Fund Organization Versus office of Commissioner of Service Tax, New Delhi. In this case the demand for period from 1-4-2004 to 31-3-2009 was set aside holding that EPFO was not liable to pay Service Tax on statutory activities performed in terms of concerned EPF Act .The facts of the instant case are with respect to conversion of wetland to dry land and the requisite fee that is required to be paid. Hence, reliance on the said case law is not justified as detailed below:

4.9.1. **Nature of the Activity and its Outcome**

(a). EPFO case – The Employees' Provident Fund Organisation was performing statutory social security functions mandated under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. These activities were for the collective benefit of members and part of sovereign, trust-based administration of funds — there was no element of commercial exploitation or exclusive advantage to any single entity. The organisation was acting as a custodian, not as a service provider for consideration.

(b). Wetland conversion case – The local authority, while acting under statute, is performing a regulatory permission-granting function that confers a specific, measurable, and exclusive benefit to an applicant. Once the land is converted from wetland to dry land, the applicant gains enhanced commercial and residential development potential — a private economic benefit that is not shared by the public at large.

4.9.2. **Consideration Element**

(a). EPFO case – The contributions and administrative charges collected by EPFO were statutory in nature and part of a non-commercial trust obligation; they were not quid pro quo for a service. The funds collected were to be utilised

OFFICE OF THE COMMISSIONER STATE G.S.T.D. KERALA ★ THIRUVANANTHAPURAM ★

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

only for the collective statutory objectives under the EPF Act, with no direct link between payment and a measurable, individualised benefit.

(b). Wetland conversion case – The fee for conversion is directly linked to the specific permission granted to the appellant. Without payment, the conversion — and hence the ability to commercially exploit the land — cannot occur. The amount functions as a consideration for a service falling under the GST scheme, consistent with rulings quoted above where statutory fees for conferring private benefits were held to be consideration for a taxable supply.

4.10. The appellant relied upon case law of (2023) 6 Centax 199 (S.C.) Central GST, Delhi-III *Versus* Delhi International Airport Ltd where in it is held that Service tax was not leviable on User Development Fees collected by airport developer from passengers at Airport. The facts of the instant case are with respect to conversion of wetland to dry land and the requisite fee that is required to be paid. Hence, reliance on the said case law is not justified as detailed below:

4.10.1. **Nature of Payer and Benefit Conferred**

(a) DIAL case – The User Development Fee (UDF) was collected from all departing passengers, regardless of whether they sought or received any specific, individualised service from the airport operator beyond normal passenger facilities. The levy was more in the nature of a statutory impost under Section 22A of the Airports Authority of India Act, 1994, for funding infrastructure development — not a quid pro quo for a targeted, exclusive benefit. The benefit (improved airport facilities) was collective and general, not personalised.

(b) Wetland conversion case – The payment is made by a single, identifiable applicant to secure a specific statutory permission — conversion of a particular plot from wetland to dry land. The outcome is a personalised, exclusive, and economically measurable benefit (expanded land-use rights, higher market

value). This is not for the general public, but a direct quid pro quo between appellant and authority.

4.10.2. **Link between Payment and Service**

(a). DIAL case – The UDF was not consideration for a service rendered to each paying passenger; it was a statutory levy earmarked for future capital works. There was no contractual or direct nexus between the payment and an individualised service, and passengers did not receive a special benefit by paying UDF.

(b). Wetland conversion case – The conversion fee has a clear, immediate, and direct nexus with the permission granted. Without payment, the appellant cannot lawfully change the land use. The permission is the sole and direct outcome of the fee payment, making it a consideration for a supply under GST law.

4.10.3. **Statutory vs. Commercial Nexus**

(a). DIAL case – The statutory character of UDF dominated; it was more akin to a cess/tax to fund public infrastructure. Its imposition and utilisation were controlled by statute, with no direct service agreement with the payer.

(b). Wetland conversion case – While the fee arises under statute, the statutory power is exercised in a permission granting, regulatory capacity for the exclusive benefit of the appellant. Such permission-granting services have been recognised as taxable supplies when they confer private benefits as explained above

4.11. Thus both the case laws relied upon by him are not relevant in the instant case.

5. PERSONAL HEARING:

The appellant was heard in person. In the personal hearing conducted via virtual media on 14.05.2025. Sri. K.R. Ramankutty, FCA appeared before the appellate authority and reiterated the submissions in the written application.

6. DISCUSSION & FINDINGS.

6.1. The Appellant is a non-banking finance company and its major income consists of income from gold loan business, income from money transfer business and purchase & sale of foreign currency, etc. The Appellant discharges GST liability on his output services and also discharges GST on reverse charge liability in terms of Notification No. 13/ 2017 CT(R) dt. 28-06-2017 and Notification No. 10/2017 IT(R) dt. 28-06-2017.

6.2. The Appellant owns 0.5 acre of land in Valapad village with Thrissur District. This was wetland. The appellant had paid the required fee to the Kerala State Government for conversion from this wetland to dryland as per Section 27A of Kerala Conservation of Paddy Land and Wetland Act, 2008 as amended by the Kerala Conservation of Paddy Land and Wetland (Amendment) Act, 2018. (referred as " KCPLW Act 2008 as amended in 2018")

6.3. The Sec 27A(3) of KCPLW Act 2008 as amended in 2018 says " If the application (for change of nature of unnotified land) is allowed, the applicant shall be liable to pay a fee at such rate as may prescribed:".

6.4. The Appellant in the Sl. No. 14 'Statement of Facts' of ARA-02 " Appeal to the Appellate Authority for Advanced Ruling" states that "..... they had to remit the prescribed amount of fee to the Government ....." and ....."As the

OFFICE OF THE COMMISSIONER STATE G.S.T.D. KERALA THIRUVANANTHAPURAM

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

above payment of prescribed fee under the said Act was made to Government to get the wetland converted to dryland ....." .

6.5. From the above, it is very clear that the Appellant had already paid the required fee to the Kerala State Government prior to filing ARA-01 Application before Authority of Advance Ruling. As per the contentions of AAR Order dt. 03-04-2023, the fee paid shall be with GST. The Appellant should have paid the fee with GST in Reverse Charge Mechanism in terms of Sl.no 5 of Notification No. 13/ 2017 CT(R) dt. 28-06-2017 and Notification No. 10/2017 IT(R) dt. 28-06-2017. After paying the bare fee without GST, the Appellant has filed ARA-01 before Authority for Advance Ruling.

6.6. Let us first examine the position on Admissibility of Advance Ruling under GST.

6.7. The mechanism of Advance Ruling under the GST law is intended to provide clarity and certainty to taxpayers before undertaking a transaction. As per the provisions of Section 95(a) and Section 97(2) of the CGST Act, 2017, the application before the Authority for Advance Ruling (AAR) must relate to matters pertaining to a proposed supply or an ongoing supply.

6.8. It is not the intention of the AAR mechanism to regularize or legitimize past transactions already undertaken without payment of GST. Approaching the AAR after executing a transaction without discharging GST, and then seeking a ruling on whether GST was applicable, defeats the preventive and clarificatory purpose of the AAR system.

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA THIRUVANANTHAPURAM

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

6.9. Therefore, issues involving completed transactions where GST has not been paid fall outside the purview of AAR, and such applications may be liable to be rejected at the threshold for being non-admissible under law.

6.10. Advance rulings are generally confined to *future or unresolved* transactions. Courts and tribunals have held that once a supply is fully executed and tax is already payable/paid, an AAR application is out of scope. For example, the Rajasthan AAR in *Shriram Pistons & Rings Ltd.* Order No. & Date: RAJ/AAR/2022-23/10 dated 31.08.2023 noted that where supplies were "already being undertaken and GST has been paid... the case is out of the purview of the Advance Ruling" and the application was "not maintainable". Likewise, in *Mangala Product* (Rajasthan AAR) Order No. & Date: RAJ/AAR/2023-24/04 dated 04.05.2023, the Authority emphasized that rulings can only be given for proposed or pending transactions, whereas "transactions on which GST is being paid are out of the purview of advance ruling". By parity, if the wetland-conversion transaction was already completed (and GST unpaid), the AAR should arguably have refused the application under Section 97(2).

6.11. Without prejudice to the above , going by merits of the case the AAR in their Order dt 03-04-2023, have concluded in Para 7.10 that : "*It is essentially an activity of permitting the use of land for residential commercial or other purposes. The permission for conversion of land which has been included as Paddy land or wetland in the basic tax register maintained in villages offices for residential, commercial or other use subject to conditions.*"

6.12. From the above it is clear that in Kerala, the **Basic Tax Register (BTR)** maintained by village offices classifies land into several categories based on usage and tax purpose. The common types of land classifications as per the BTR in village offices of Kerala are:

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA
THIRUVANANTHAPURAM

APPELLATE AUTHORITY FOR ADVANCE RULING
GST KERALA

a) Dry Land / Purayidam (Garden Land):- The usage of this type of land is for Residential, commercial, or institutional constructions. Generally the tax rate is higher than agricultural land. This is the most common classification for non-agricultural land in villages and towns.

b) Wetland / Nilam (Paddy Field): - The usage is traditionally used for paddy cultivation. This land cannot be used for construction unless converted through Revenue Department and Kerala Conservation of Paddy Land and Wetland Act, 2008. These lands are often under the purview of the Wetland Act and environmentally protected.

c) Many more

6.13. These classifications are crucial for determining land tax rates, conversion procedures, and legality of land use.

6.14. The AAR in their Order dt 03-04-2023, have concluded in Para 7.11 that : " *The fee charged for conversion can be considered as a consideration compensation charged for conferring such private benefit at the cost of public good of conservation of Paddy land and wetland.*".

6.15. Thus the fee can be interpreted as a form of compensation. It represents a cost imposed on the appellant for altering the natural status of the land. The appellant is deriving a private benefit—such as being able to build, sell, or develop the land for personal gain. The rationale behind charging the fee is that the fee acknowledges that a public cost is being incurred to provide a private gain. It acts as a disincentive or deterrent to indiscriminate land conversion

6.16. The key question is whether the land-conversion fee is a *taxable service* by the State government to the appellant. Under Notification No. 13/2017-CT(R) (as amended) services supplied by a State or local government to a business entity

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA THIRUVANANTHAPURAM

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

are specifically subject to GST under reverse charge. Item 5 of this Notification provides that **"**Services supplied by the Central Government, State Government, Union territory or local authority to a *business entity***"** (in the taxable territory) are liable to GST under reverse charge (subject only to narrow exceptions like rent, postal and transport services). Here the NBFC is a *business entity* and the State Govt. is supplying a statutory permit (by changing the land description), so the fee squarely falls under this RCM category. In fact, the Kerala AAR itself found that the conversion fee "will attract GST under reverse charge". Absent any specific exemption, the fee is therefore a taxable consideration.

6.17. The AAR in their Order dt 03-04-2023, have concluded in Para 7.12 that : ".....the activity of allowing change cannot be considered to be an activity in relation to any function entrusted to a Panchayat under Article 243G of the Constitution ".

6.18. The Article 243G of the Constitution empowers State Legislatures to endow Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government, particularly for:

a) Preparation of plans for economic development and social justice;
b) Implementation of schemes related to the matters listed in the Eleventh Schedule of the Constitution.

6.19. The Eleventh Schedule contains 29 subjects that may be entrusted to Panchayats. Examples include:

a) Agriculture, including agricultural extension
b) land improvement, soil conservation
c) Minor irrigation, water management
d) .....

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA ★ THIRUVANANTHAPURAM ★

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

6.20. The activity of such conversion of land from wet to dry land cannot be equated with the list of activates given above as 'activities entrusted to Panchayat under article 243 G of constitution'.

6.21. The appellant has submitted that the conversion of land from wet to dry land nearest is the "land improvement "listed above. But there is clear distinction between 'land improvement' and 'land conversion', particularly in the context of land use, agriculture, and government policies as detailed below:

Land Improvement: Land improvement refers to any activity that enhances the quality, productivity, or usability of existing land—typically without changing its classification (e.g., agricultural land remains agricultural land). Examples could be

a) Levelling uneven farmland
b) Adding irrigation systems
c) Soil conservation and erosion control
d) Building bunds, drainage channels
e) Adding organic matter or fertilizers to improve fertility

6.22. The purpose is to enhance agricultural productivity, prevent land degradation, or make the land more suitable for its current use.

6.23. The legal status of land improvement would be

f) No change in land classification or revenue records
g) Usually encouraged by governments
h) May qualify for subsidies or schemes (e.g., MGNREGA works)

6.24. **Land Conversion:-**Land conversion means changing the legal classification of land—for example, converting agricultural (wet/dry) land into

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA THIRUVANANTHAPURAM

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

non-agricultural land for purposes like housing, industry, or commercial use. Examples could be

a) Converting paddy field into a plot for residential buildings

b) Changing dry land to commercial land for setting up shops/factories

c) Wetland converted to dry land for non-agricultural purposes

6.25. The Purpose is to enable non-agricultural development such as infrastructure, urban expansion, or industrial use.

6.26. The legal Status of land conversion

a) Requires approval from competent authorities (e.g., Revenue Department, local body, or Land Use Board)

b) Conversion fees or charges are levied

c) Changes are recorded in land records (Basic Tax Register, FMB etc.) Often governed by state land reform laws, Wetland Acts, or Paddy Land Conservation Acts

6.27. Thus the conversion of land from wet to dry is totally different from the " land improvement " listed above.

6.28. Notification 14/2017 (as amended) exempts only services relating to *functions entrusted to Panchayats (or municipalities)* under Articles 243G/243W. The Eleventh Schedule lists examples of Panchayat functions (e.g. agriculture, land improvement, soil conservation, etc.). Crucially, it mentions **"Land improvement..."** but does *not* mention land *conversion.* There is a legal axiom which says "expressio unius est exclusio alterius" – meaning *"The express mention of one thing is the exclusion of another."* By enumerating only "land improvement" in the Eleventh Schedule (Art. 243G), the law excludes other land-use changes (like wetland conversion) from the Panchayat functions exemption.

OFFICE OF THE COMMISSIONER STATE G.S.T.D. KERALA ★ THIRUVANANTHAPURAM ★

APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

6.29. By expressly covering "land improvement" and not referring to conversion, the exemption does not extend to wetland-conversion permits. Consistent with this, the Kerala AAR explicitly held that granting a change of land-use permission "cannot be considered as an activity related to a function entrusted to a panchayat under Article 243G" Because the transaction is not a constitutionally entrusted local authority function, it is not covered by Notification 14/2017 (as amended) and no exemption applies. On the contrary, as the AAR concluded, the fee is a consideration for a government service and attracts GST under RCM.

6.30. Thus the conversion of land from wet to dry does not fall under activities listed Under the notification No 14/2017 central tax (rate) dated 28-06-2017 as amended by notification No 16/2018 central tax (rate)dated 26-07- 2018. In fact as per Sl. No. 5 of Notification No. 13/2017-CT(R), services supplied by Government to business entities are taxable under reverse charge, unless specifically exempted.

6.31. The burden to prove that the taxpayer is eligible for the said Notification lies upon the taxpayer. *Ei incumbit probatio qui dicit, non qui negat – "The burden of proof lies on the one who declares, not on him who denies."* In taxation, a taxpayer asserting an exemption must clearly prove it. Here the applicant must show that the fee corresponds to a constitutionally-entrusted function; since it cannot and they have failed to show so , the exemption fails and GST is due.

6.32. In view of the above discussions, the Appellate Authority finds that:

(a) The application filed by the Appellant before the Authority for Advance Ruling is not admissible, as it pertains to a completed transaction for which GST liability, if any, ought to have been discharged prior to seeking ruling.

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA ★ THIRUVANANTHAPURAM ★

APPELLATE AUTHORITY FOR ADVANCE RULING ★ GST KERALA

(b) Without prejudice to the above, on the merits of the case, the fee paid for conversion of wetland to dry land constitutes consideration for a taxable supply by the State Government and is liable to GST under reverse charge mechanism as per Notification No. 13/2017-Central Tax (Rate).

(c) The exemption under Notification No. 14/2017-Central Tax (Rate), as amended, does not apply, as the activity of land conversion is not covered under Article 243G or the Eleventh Schedule of the Constitution.

Accordingly, the appeal is liable to be dismissed.

In the light of the facts and legal position as stated above, the following order is issued:

ORDER

Considering all the above, the Ruling given by the Authority for Advance Ruling dated 03-04-2023 is upheld and the appeal filed is hereby dismissed.

23/9/25

S K Rahman , IRS
Chief Commissioner
Central Tax, Central Excise & Customs
Thiruvananthapuram Zone /Member AAAR

2319125

Patil Ajit Bhagwatrao, IAS,
Commissioner
State Goods & Services Tax
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To

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2-3154-105,ManappuramHouse, NH-17,
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APPELLATE AUTHORITY FOR ADVANCE RULING GST KERALA

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1. The Member (Central), Advance Ruling Authority, Kerala.
2. The Member (State), Advance Ruling Authority, Kerala
3. The Deputy Commissioner of Central GST, Thrissur Division, Thrissur.
4. The Superintendent of Central GST, Guruvayoor Division, Guruvayoor Range.