

Thirteenth Kerala Legislative Assembly
Bill No. 212

THE KERALA FINANCE BILL, 2013

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BILL

to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2013-2014.

Preamble.—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2013-2014;

BE it enacted in the Sixty-fourth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Kerala Finance Act, 2013.

2. *Amendment of Act XII of 1955.*—In the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (XII of 1955),—

(1) in section 5, for the words “one hundred rupees”, the words “one thousand rupees” shall be substituted;

(2) in section 6, in sub-section (4), for the words “five rupees”, the words “fifty rupees” shall be substituted;

(3) in section 7, in sub-section (5), for the words “one hundred rupees”, the words “one thousand rupees” shall be substituted;

(4) in section 12, in sub-section (2), for the words “one hundred rupees”, the words “one thousand rupees” shall be substituted;

(5) in section 13, in sub-section (5), for the words “one hundred rupees”, the words “one thousand rupees” shall be substituted;

(6) in section 15, in sub-section (2), for the words “ten rupees”, the words “one hundred rupees” shall be substituted;

(7) in section 22, in sub-section (2), for the words “ten rupees”, the words “one hundred rupees” shall be substituted;

(8) in section 31, for the words “one rupee”, the words “ten rupees” and for the words “two annas”, the words “five rupees” shall, respectively, be substituted.

3. *Amendment of Act 35 of 1958.*—In the Kerala Money Lenders' Act, 1958 (35 of 1958),—

(1) in section 4, in clause (i) of sub-section (2), for the words “five thousand rupees”, the words “ten thousand rupees” shall be substituted;

(2) in section 11B, after the words “returns, forms and other statements”, the words “including revised returns, forms and other statements” shall be inserted.

4. *Amendment of Act 17 of 1959.*—In the Kerala Stamp Act, 1959 (17 of 1959),—

(1) in section 4, in sub-section (1), for the words “One hundred rupees”, the words “Five hundred rupees” shall be substituted;

(2) in section 28,—

(a) section 28 shall be renumbered as sub-section (1) thereof and in sub-section (1) so renumbered, for the words “The consideration, if any,” the words “The Consideration, if any, the fair value of the property” shall be substituted;

(b) after sub-section (1), so renumbered, the following sub-section shall be inserted, namely:—

“(2) In the case of instruments relating to immovable property chargeable with an *ad valorem* duty on the fair value of the land and property and not on the value set forth in the instrument or consideration, such instrument shall fully and truly set forth the value of all other properties including building, if any, in the land involved.”;

(3) in section 29,—

(a) in sub-section (1), for the words “*ad valorem* duty”, the words “*ad valorem* duty on the fair value of the land and value of all other properties including building, if any, in the property” shall substituted;

(b) in sub-section (2), for the words “*ad valorem* duty”, the words “*ad valorem* duty on the fair value of the land and value of all other properties including building, if any, in the property” shall substituted;

(c) in sub-section (3), for the words “*ad valorem* duty”, the words “*ad valorem* duty on the fair value of the land and value of all other properties including building, if any, in the property” shall substituted;

(4) in section 31, in sub-section (1), for the words “such amount not exceeding ten rupees and not less than one rupee as the Collector may in each case direct”, the words “fifty rupees” shall be substituted;

(5) in section 34, in clause (a) to the proviso, for the words “five rupees”, occurring in both places, the words “ten rupees” and for the words “equal to ten times”, the words “equal to twenty times” shall, respectively, be substituted;

(6) in section 39, in clause (b) of sub-section (1), for the words “five rupees”, the words “ten rupees” shall be substituted;

(7) in the SCHEDULE,—

(a) in serial number 10, for the entry in column (3), the following entry shall be substituted, namely:—

“Ten thousand rupees”;

(b) in serial number 15, for the entry in column (3), the following entry shall be substituted; namely:—

“Five hundred rupees”;

(c) for serial number 21 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“21.(i) Conveyance as defined in section 2(d) other than a conveyance specified in No. 22, not being a transfer charged or exempted under No. 55	Five rupees for every rupees 100 or part thereof of the fair value of the land or the amount or value of the consideration for such conveyance, whichever is higher.
(ii) Conveyance as stated in (i) above in respect of the whole or portion of the property involved in the previous conveyance, when executed within a period of three months from the date of registration of such previous conveyance	Two times the stamp duty paid in respect of the previous conveyance deed or the stamp duty payable under (i) above, whichever is higher.

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|---|---|
| (iii) Conveyance as stated in (i) above in respect of the whole or portion of the property involved in the previous conveyance, when executed after three months and before six months from the date of registration of previous conveyance | One and a half times the stamp duty paid in respect of the previous conveyance deed or the stamp duty payable under (i) above, whichever is higher. |
|---|---|

*Explanation:—*The amount of two times the stamp duty or one and a half times the stamp duty, as the case may be, payable with respect to a portion or portions of the whole property involved in the previous conveyance shall be calculated proportionate to the stamp duty paid in the previous conveyance deed.”;

(d) for serial number 22, and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“22. Conveyance as defined in section 2(d) not being a transfer charged or exempted under No. 55 of immovable property situated,—

- | | |
|--|---|
| (i) Within the Municipalities/ Townships/Cantonments other than Corporations. | Six rupees for every rupees 100 or part thereof of the fair value of the land or the amount or value of the consideration for such conveyance, whichever is higher. |
| (ii) Conveyance as stated in (i) above, in respect of the whole or portion of the property involved in the previous conveyance, when executed within a period of three months from the date of registration of previous conveyance | Two times the stamp duty paid in respect of the previous conveyance deed or the stamp duty payable under (i) above, whichever is higher. |

- | | |
|---|---|
| (iii) Conveyance as stated in (i) above, in respect of the whole or portion of the property involved in the previous conveyance, when executed after three months and before six months from the date of registration of previous conveyance | One and a half times the stamp duty paid in respect of the previous conveyance deed or the stamp duty payable under (i) above, whichever is higher. |
| (iv) Within the Municipal Corporations | Seven rupees for every rupees 100 or part thereof of the fair value of the land or the amount or value of the consideration for such conveyance, whichever is higher. |
| (v) Conveyance as stated in (iv) above, in respect of the whole or portion of the property involved in the previous conveyance when executed within the period of three months from the date of registration of previous conveyance | Two times the stamp duty paid in respect of the previous conveyance deed or the stamp duty payable under (iv) above, whichever is higher. |
| (vi) Conveyance as stated in (iv) above, in respect of the whole or portion of the property involved in the previous conveyance, when executed after three months and before six months from the date of registration of previous conveyance. | One and a half times the stamp duty paid in respect of the previous conveyance deed or the stamp duty payable under (iv) above, whichever is higher |

Explanation:—The amount of two times the stamp duty or one and a half times the stamp duty, as the case may be, payable with respect to a portion or portions of the whole property involved in the previous conveyance shall be calculated proportionate to the stamp duty paid in the previous conveyance deed.”;

(e) in serial number 23,—

(i) in clause (i), for the entry in column (3), the following entry shall be substituted, namely:—

“Twenty rupees”;

(ii) in clause (ii), for the entry in column (3), the following entry shall be substituted, namely:—

“Fifty rupees”;

(f) in serial number 40,—

(i) in clause (b),—

(a) in sub-clause (i), in the entry in column (3), the words, letters and figures “subject to a maximum of Rs. 250” shall be omitted;

(b) in sub-clause (ii), in the entry in column (3), the words, letters and figures “subject to a maximum of Rs. 250” shall be omitted;

(ii) in clause (c), in the entry in column (3), the words, letters and figures “subject to a maximum of Rs. 250” shall be omitted;

(iii) in clause (d), in the entry in column (3), the words, letters and figures “subject to a maximum of Rs. 250” shall be omitted;

(g) in serial number 43,—

(i) in clause A, for the entry in column (3), the following entry shall be substituted, namely:—

“Five thousand rupees”;

(ii) in clause B, for the entry in column (3), the following entry shall be substituted, namely:—

“One thousand rupees”;

(h) in serial number 51, in clause (b), in the entry in column (3), for the words “One hundred rupees”, the words “Five hundred rupees” shall be substituted;

(i) in serial number 54, in clause (b), for the entry in column (3), the following entry shall be substituted, namely:—

“Two hundred and fifty rupees”.

5. *Amendment of Act 10 of 1960.*—In the Kerala Court Fees and Suits Valuation Act, 1959 (10 of 1960),—

(1) for section 52A, the following section shall be substituted, namely:—

“52A. *Fees on Memorandum of Appeal against the order of Income Tax Appellate Tribunal and Wealth Tax Appellate Tribunal.*—Notwithstanding anything contained in section 52, the fee payable on a memorandum of appeal filed before the High Court against the order of Income Tax Appellate Tribunal under the Income Tax Act, 1961 (Central Act 43 of 1961) and of the Wealth Tax Appellate Tribunal under the Wealth Tax Act, 1957 (Central Act 27 of 1957), shall, respectively, be at the rates specified in sub-items (C) and (D) of item (iii) of article 3 of Schedule II.”;

(2) after section 69, the following section shall be inserted, namely:—

“69A. *Refund in case where court refers the dispute for settlement outside the court under section 89 of the Code of Civil Procedure.*—Where a suit is referred by the court under section 89 of the Code of Civil Procedure, 1908 (Central Act 5 of 1908) for arbitration, conciliation, judicial settlement, including settlement through Lok Adalat or mediation, the whole fee paid on the plaint shall be ordered by the court to be refunded to the parties concerned by whom the same has been paid.”;

(3) in section 76, in sub-section (1), for the words “in respect of appeals or revisions”, the words “in respect of original petitions, original applications, appeals or revisions” and for the words “appeal or revision”, the words “original petition, original application, appeal or revision” shall, respectively, be substituted;

(4) in the SCHEDULE II,—

(a) in article 3, in sub-item (C) of item (iii),—

(i) the words and figures “or the Wealth Tax Act, 1957” in column (2) shall be omitted;

(ii) for the words “Five hundred rupees” in column (3) against clause (d) in column (2), the words “Ten per cent of relief sought for, subject to a minimum of five hundred rupees” shall be substituted;

(iii) after sub-item (C) and the entries against it in column (3), the following sub-item and entries shall, respectively, be inserted, namely:-

“(D) From an order of the Appellate Tribunal under the Wealth Tax Act, 1957,—

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|---|---|
| (a) Where the total net wealth of the assessee as computed by the Assessing Officer, in the case to which the appeal relates is one lakh rupees or less | Five hundred rupees. |
| (b) Where such net wealth exceeds one lakh rupees but does not exceed two lakhs rupees | One thousand and five hundred rupees. |
| (c) Where such net wealth exceeds two lakhs rupees | One per cent of the assessed net wealth, subject to a maximum of ten thousand rupees. |
| (d) Where the subject matter of an appeal relates to any matter, other than those specified in clauses (a) to (c) above | Ten per cent of the relief sought for, subject to minimum of five hundred rupees.”; |

(b) in article 4, for the words and figures “under section 39 of the Arbitration Act, 1940” in column (2), the words and figures “under the Arbitration and Conciliation Act, 1996” shall be substituted;

(c) in article 10, for clause (g) and the entries against it in column (3), the following clause and entries shall, respectively, be substituted, namely:—

“(g) Application for attestation of private documents intended to be used outside India,—

- | | |
|---|-----------------|
| (i) which involves verification of genuineness of the document | Hundred rupees |
| (ii) which requires counter signature after attestation by a Notary | Fifty rupees.”. |

6. *Amendment of Act 15 of 1963.*—In the Kerala General Sales Tax Act, 1963 (15 of 1963),—

(1) in section 17,—

(a) in sub-section (6), for the fourth proviso, the following proviso shall be substituted, namely:—

“Provided also that all assessments pending as on 31st March, 2013 shall be completed on or before 31st March, 2014.”;

(b) in sub-section (8),—

(i) for the first proviso, the following proviso shall be substituted, namely:—

“Provided that all such assessments or re-assessments pending as on 31st March, 2013 shall be completed on or before 31st March, 2014.”;

(ii) for the third proviso, the following proviso shall be substituted, namely:—

“Provided also that all such modified assessments or modified re-assessments or remanded assessments pending as on 31st March, 2013 shall be completed on or before 31st March, 2014.”;

(2) in section 23B,—

(a) in sub-section (3), for the words and figures “30th September, 2011”, the words and figures “31st December, 2013” shall be substituted;

(b) in sub-section (4), for the words and figures “30th September, 2011”, the words and figures “31st December, 2013” shall be substituted;

(c) the proviso shall be omitted;

(d) for sub-section (7), the following sub-section shall be substituted, namely:—

“(7) Notwithstanding anything contained in any order, decree or judgment of any court, tribunal or appellate authority, if an assessee opts to settle his arrears as per this section,—

(i) he shall withdraw all cases pending before any court, tribunal or appellate authority relating to the arrears under option; and

(ii) if an order, decree or judgment is passed by any court, tribunal or appellate authority relating to the arrears already settled under option, giving reduction in liability with regard to such arrears, no refund shall be allowed with respect to such arrears covered under such order, decree or judgment; and

(iii) no appeal shall lie in any court, tribunal or appellate authority, with respect to the amount settled under this section.”;

(3) in section 47, in item (a), for the words “rupees two lakhs”, the words “rupees eight lakhs” shall be substituted;

(4) in the SCHEDULE, in serial number “2. Foreign Liquor”, against item “(ii) Other than Beer and Wine”, under the heading “Rate of tax (per cent)”, for the figure “100”, the figure “105” shall be substituted.

7. *Amendment of Act 7 of 1975.*—In the Kerala Building Tax Act, 1975 (7 of 1975), in the SCHEDULE, under the heading “Other Buildings”, after Note (2), the following Note shall be inserted, namely:—

“(3) In the case of buildings having a plinth area of 185.87 square metres or more and completed on or after the 1st day of April, 2013 in which there are installations for rainwater harvesting, waste treatment at source and solar panels having such measurements and specifications as may be specified by the Government by notification in the Gazette, the rate of building tax shall be reduced by 50 per cent.”.

8. *Amendment of Act 32 of 1976.*—In the Kerala Tax on Luxuries Act, 1976 (32 of 1976),—

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

“4A. *Exemption to United Nations Organization or similar international bodies.*—Notwithstanding anything contained in this Act, no tax under this Act shall be levied in respect of any luxury under this Act provided to the employees, representatives and delegates of United Nations or other similar international bodies and such exemption shall be subject to such conditions as may be prescribed.”;

(2) in section 5B, after the words “returns, forms and other statements”, the words “including revised returns, forms and other statements” shall be inserted;

(3) in section 6, in sub-section (4), for the existing proviso, the following provisos shall be substituted, namely:—

“Provided that all assessments relating to the years up to and including the year 2007-08, pending as on 31st March, 2013, shall be completed on or before 31st March, 2014:

Provided further that in cases where any investigation or inquiry is pending under this Act or where any assessment cannot be completed within the period specified under this section, the Deputy Commissioner may, for good and sufficient reasons, extend the period of completion of the assessment beyond the period specified in this section.”;

(4) in section 17B, in item (a) of sub-section (1), for the words “rupees four lakhs”, the words “rupees eight lakhs” shall be substituted.

9. *Amendment of Act 15 of 1991.*—In the Kerala Agricultural Income Tax Act, 1991 (15 of 1991), in section 3, for the proviso, the following proviso shall be substituted, namely:—

“Provided that no tax shall be charged on any person other than a company registered under the Companies Act, 1956 (Central Act 1 of 1956) with effect from 1st April, 2013.”.

10. *Amendment of Act 30 of 2004.*—In the Kerala Value Added Tax Act, 2003 (30 of 2004),—

(1) in section 6, in sub-section (1),—

(a) in the Table,—

(i) in serial number 1, for the figure “15” in column (4), the figure “20” shall be substituted;

(ii) in serial number 3, for the entry in column (2), the following entry shall be substituted, namely:—

“Carry bags made of plastic including polypropylene, which have a vest type self carrying feature to carry commodities”;

(iii) after serial number 3 and the entries against it in columns (2), (3) and (4), the following serial number and entries shall, respectively, be inserted, namely:—

“3A. Disposable plates, cups and *** 20”;
leaves, made of plastic.

(b) in clause (d), for the figures and symbol “13.5%”, occurring in both places, the figures and words “14.5 per cent” shall be substituted;

(c) in clause (f), for the figures and words “13.5 per cent”, the figures and words “14.5 per cent” shall be substituted;

(d) in the twelfth proviso, the words and figures “with effect from 1st April, 2006” shall be added at the end;

(e) after the thirteenth proviso, the following provisos shall be inserted, namely:—

“Provided also that the tax on the sale of cardamom, at the point of auction only, conducted at the auction centre holding a valid license issued by the Spices Board under the Cardamom (Licensing and Marketing) Rules, 1987, shall be at the rate of two per cent:

Provided also that cooked food and beverages sold by Milk Suppliers’ Co-operative Society registered under the Kerala Co-operative Societies Act, 1969 (21 of 1969) through their canteens established at their places of business shall be exempted from tax with effect from 1st April, 2011.”;

(2) in section 8,—

(a) in clause (g), for the figures and symbol “13.5%”, the figures and words “14.5 per cent” shall be substituted;

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

“(h) any dealer, who is an importer or a manufacturer of cigarettes and similar products mentioned in serial number 1 of the Table in clause (a) of sub-section (1) of section 6, may, at his option, pay, in such manner and subject to such conditions and restrictions as may be prescribed, in lieu of the tax payable by him on such goods under the said sub-section, tax at the rate of 20 per cent of the maximum retail price of such goods.

Explanation:—For the purpose of this clause, maximum retail price in respect of the goods means the maximum price printed on the package of any goods at which such goods may be sold to the ultimate consumer:

Provided that where a registered dealer has purchased any goods,—

(a) from an importer or a manufacturer who has opted for payment of tax under this clause; or

(b) from another registered dealer where the tax on the maximum retail price of such goods was paid in the State on an earlier sale,

such dealer shall, notwithstanding anything contained in this Act, but subject to such conditions and restrictions as may be prescribed, be exempted from payment of tax under clause (a) of sub-section (1) of section 6 in respect of the sale of such goods and shall be entitled to recover from the buyers the amount of tax paid

by him at the time of purchase of such goods and the turnover of such goods shall not be included in the total turnover for the purpose of sub-section (5) of section 6, where the dealer opts for payment of tax in accordance with the said sub-section in respect of goods other than the goods covered under this clause:

Provided further that a dealer who opts payment of tax under this clause shall not allow any trade discount or incentive in terms of quantity of goods in relation to any sale of goods covered under the clause, effected by him, for the purpose of calculating his tax liability.”;

(3) in section 15, in sub-section (1), for the words “five lakh rupees”, the words “ten lakhs rupees” shall be substituted;

(4) after section 18A, the following section shall be inserted, namely:—

“18B. *Special provision for one-time incentive to new registrants.*— Notwithstanding anything contained in this Act, dealers who were liable to take registration under this Act, but had not taken registration, may voluntarily take registration between 1st April, 2013 and 30th September, 2013 and such dealers shall not be liable to tax or penalties with respect to the transactions prior to 1st April, 2013:

Provided that this section shall not be applicable to the transactions of dealers who were,—

- (a) importers;
- (b) works contractors;
- (c) manufacturers, but excluding dealers coming under sub-clause (i) of clause (c) of section 8; and
- (d) dealers against whom penal proceedings were initiated for non-registration and non-payment of tax under this Act, before 1st April, 2013:

Provided further that hospitals run by charitable institutions which avail exemption under the Income Tax Act, 1961 (Central Act 43 of 1961) and purchasing medicines from compounded dealer after paying tax under clause (e) of section 8 shall be exempted from tax on their sale of laboratory store items and consumables, as may be notified by Government, to their patients for the period prior to 1st April, 2013 subject to the condition that they take registration under this Act on or before 30th June, 2013.”;

(5) in section 24, in sub-section (1), for the fourth proviso, the following proviso shall be substituted, namely:—

“Provided also that the assessments pending as on 31st March, 2013 under this section shall be completed on or before 31st March, 2014.”;

(6) in section 25, in sub-section (1), for the third proviso, the following proviso shall be substituted, namely:—

“Provided also that the assessments pending as on 31st March, 2013 under this section shall be completed on or before 31st March, 2014.”;

(7) after section 25A, the following section shall be inserted, namely:—

“25B. *Extension of period of limitation for assessments in certain cases.*— Notwithstanding anything contained in section 24 or in section 25, in cases where any investigation or inquiry is pending under this Act or any other law or where any assessment cannot be completed within the period specified under the said sections, the Deputy Commissioner may, for good and sufficient reasons, extend the period of completion of the assessment beyond the period specified in those sections.”;

(8) in the SCHEDULES,—

(a) in the FIRST SCHEDULE,—

(i) after serial number 42 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“42A. Rice including broken rice, puffed rice, parched rice and beaten rice

(1) Rice other than paddy	1006
(2) Puffed rice, parched and beaten rice	1904.20.00
(3) Broken rice	1006.40.00”;

(ii) after serial number 61 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“62. Products manufactured and sold by *Theeramythri* units approved by the Government under its brand name at the point of sale by them. *****”;

(b) in the SECOND SCHEDULE,—

(i) after serial number 1 and the entries against it in columns (2) and (3) the following serial number and entries shall, respectively, be inserted, namely:—

“2 Ice 2201.90.10”;

(ii) for serial number 6 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“6. Solar energy devices and spare parts

(1) Solar cells	8541.40.11
(2) Solar lanterns and lamps	9405.50.40
(3) Parts of solar lanterns and lamps of—	
(a) glass	9405.91.00
(b) plastic	9405.99.00
(4) Solar energy equipment	****
(5) Solar water heaters and systems	****
(6) Solar crop driers and systems	****
(7) Solar refrigerations, solar cold storages and solar air-conditioning systems	****
(8) Solar stills and desalination systems	****
(9) Solar pumps based on solar thermal and solar photovoltaic conversion	****
(10) Solar power generating system	****
(11) Solar cookers	****
(12) Concentrating and pipe type solar collectors	****
(13) Flat plate solar collectors	****
(14) Solar photovoltaic modules and panels for water pumps and other application	****
(15) Black continuously plated solar selective coating sheets, fans and tubes	****

- (16) Vacuum tube solar collectors *****
- (17) Solar photovoltaic cells, modules, and other systems/devices *****";

(c) in the THIRD SCHEDULE,—

(i) serial number 62 and the entries against it in columns (2) and (3) shall be omitted;

(ii) after serial number 86A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“86B. Municipal Plastic Waste *****”;

(iii) in serial number 87, in the entries against item (2), in column (2), for the words, letters and figures “whose M.R.P. does not exceed Rs.200”, the words, letters and figures “its M.R.P. does not exceed Rs.500” shall be substituted;

(iv) in serial number 107, items (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (24), (25), (31) and the entries against them in columns (2) and (3) shall be omitted;

(v) after serial number 141 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“141A. Waterbed *****”;

(d) in LIST A,—

(i) after serial number 84 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted namely:—

“84A. Lead oxide 2824”;

(ii) in serial number 135A, in the entry in column (2), after the words “agricultural gloves”, the words “household gloves” shall be inserted;

(iii) in serial number 174, after item (10) and the entries against it in columns (2) and (3), the following item and entries shall, respectively, be inserted, namely:—

“(11) HDPE woven fabrics commonly called ‘agro-shade net’ *****”.

11. *Levy and collection of cess on wedding celebrations.*—(1) There shall be levied and collected, in accordance with the provisions of this section, for the purpose of the *Mangalya Nidhi* constituted by the Government, a cess to be called *Mangalya Nidhi cess* on every wedding celebration conducted in hotels having the classification of three star and above or in auditoriums with a seating capacity of above five hundred at the rate of three per cent of the total expenses that may be incurred for such celebration, as the case may be.

(2) Every person who intends to reserve hotels or auditoriums as mentioned in sub-section (1) shall furnish a declaration stating the expected expenditure that may be incurred for conducting such wedding celebration and the cess payable thereon before the assessing officer under the Kerala Tax on Luxuries Act, 1976 (32 of 1976) and remit such amount of cess in the Head of Account of the *Mangalya Nidhi*.

(3) No owner or proprietor of a hotel or auditorium shall permit any person to reserve any such hotel or auditorium without producing the receipt of payment of cess under sub-section (2).

(4) Where any proprietor of a hotel or an auditorium as stated in sub-section (1) permits any person to conduct a wedding celebration without the receipt of payment of cess under this section, such proprietor shall be liable to pay such amount of cess as if he had conducted the wedding celebration and such amount shall be recovered from him as if it is arrear due from him under the Kerala Tax on Luxuries Act, 1976 (32 of 1976).

DECLARATION UNDER THE KERALA PROVISIONAL COLLECTION OF REVENUES ACT, 1985 (ACT 10 OF 1985)

It is hereby declared that it is expedient in the public interest that all the provisions of this Bill shall have effect on and from the 1st day of April, 2013 under the Kerala Provisional Collection of Revenues Act, 1985 (10 of 1985).

STATEMENT OF OBJECTS AND REASONS

The Bill seeks to amend the following enactments to give effect to the financial proposals of the Government of Kerala for the financial year 2013-2014 as announced in paras 18, 40, 45, 54, 390 to 393, 420, 421, 424, 425, 428 to 432, 434, 437 to 440, 442 to 453, 456, 459 to 461, 464 and 465 of the Budget Speech 2013-2014, namely:—

1. The Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (XII of 1955);
2. The Kerala Money Lenders' Act, 1958 (35 of 1958);

3. The Kerala Stamp Act, 1959 (17 of 1959);
4. The Court Fees and Suits Valuation Act, 1959 (10 of 1960);
5. The Kerala General Sales Tax Act, 1963 (15 of 1963);
6. The Kerala Building Tax Act, 1975 (7 of 1975);
7. The Kerala Tax on Luxuries Act, 1976 (32 of 1976);
8. The Kerala Agricultural Income Tax Act, 1991 (15 of 1991);
9. The Kerala Value Added Tax Act, 2003 (30 of 2004).

FINANCIAL MEMORANDUM

Section 69A of the Court Fees and Suits Valuation Act, 1959 (10 of 1960) proposed to be inserted by clause 5(2) of the Bill provides for refund of full court fees paid on the plaint to the parties concerned in cases where a suit is referred by the court under section 89 of the Code of Civil Procedure, 1908 for arbitration, conciliation, judicial settlement including settlement through Lok Adalt or mediation. Hence, the Bill, when enacted and brought into operation, would involve expenditure from the Consolidated Fund of the State. The anticipated recurring expenditure in this account would be approximately five crores rupees.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Note 3 in the Schedule to the Kerala Building Tax Act, 1975 (7 of 1975) proposed to be inserted by clause 7 of the Bill seeks to empower the Government to issue notification to specify the measurements and specifications relating to rain water harvesting, waste treatment at source and solar panels.

2. Section 4A in the Kerala Tax on Luxuries Act, 1976 (32 of 1976) proposed to be inserted by sub-clause (1) of clause 8 of the Bill seeks to empower the Government to prescribe the conditions for exemptions of luxury tax to United Nations Organization or similar international bodies.

3. Section 8 of the Kerala Value Added Tax Act, 2003 (30 of 2004) proposed to be amended by sub-clause (2)(b) of clause 10 of the Bill seeks to empower the Government to prescribe the conditions and restrictions to opt the payment of tax under the said section.

4. Section 18B of the Kerala Value Added Tax Act, 2003 (30 of 2004) proposed to be inserted by sub-clause (4) of clause 10 of the Bill seeks to empower the Government to notify the laboratory store items and consumables exempted from tax under this section.

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

K. M. MANI.

12. *Books of accounts to be kept by society.*—(I) The general body of a society shall cause to be kept proper books of account with respect to—

(a) all sums of money received and expended for and on behalf of the society and the matters in respect of which the receipt and expenditure take place ; and

(b) the assets and liabilities of the society.

(2) If default is made in complying with the requirements of this section, every member of the governing body who has knowingly by his act or omission, been the cause of such default, shall be liable to a fine not exceeding one hundred rupees.

** ** * * * *

13. *Annual Balance Sheet.*—(1) The governing body of every society shall at some date not later than eighteen months after the registration of the society and subsequently once at least in every calendar year lay before the society in general meeting a balance sheet and income and expenditure account for the period in the case of the first account since the registration of the society and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months.

** ** * * * *

(5) If the requirements of this section are not complied with, the society and every member of its governing body, who knowingly and wilfully authorises or permits the default, shall be liable to a fine not exceeding one hundred rupees.

** ** * * * *

15. *Society to keep a register of members.*—(1) Every society shall have a register of its members wherein the following particulars are entered.—

(a) the names and addresses and the occupation, if any, of the members ;

(b) the date on which each person became a member ;

(c) the date on which any person ceased to be a member ;

(2) If default is made in complying with the requirements of this section the society and every member of the governing body, who knowingly and wilfully authorises or permits the default, shall be liable to a fine not exceeding ten rupees for every day during which the default continues.

** ** * * * *

22. *Amendments to memorandum or the rules and regulations of a society.*—(1) When any amendment is made in the provisions of the memorandum or the rules and regulations of a society, a copy of the resolution effecting the amendment, certified to be a correct copy by not less than three members of the governing body shall be filed with the Registrar within fourteen days from the date of the general meeting at which the resolution was passed.

(2) If delay is made in so filing with the Registrar a copy of the resolution, mentioned in sub-section (1) of this section, the society and every member of its governing body, shall be liable to a fine not exceeding ten rupees for every day during which the default continues.

** ** ** **

31. *Inspection of documents.*—Any person may inspect all documents filed with the Registrar under this Act on payment of a fee of one rupee for each inspection, and any person may require a copy or extract of any document or any part of any document to be certified by the Registrar, on payment of [two annas]² for every hundred words of such copy or extract.

** ** ** **

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA
MONEY-LENDERS ACT, 1958 (ACT 35 OF 1958)

** ** * * * *

4. *Grant and refusal of licences.*—(1) Application for a money-lenders licence shall be in writing and shall be made to the licensing authority and in the manner prescribed under this Act;

** ** * * * *

(2) Every license shall be granted in such forms as may be prescribed and shall be subject to the following conditions and to such other conditions as may be prescribed namely:—

(i) payment of a licence fee of five thousand rupees;

** ** * * * *

11B. *Electronic filing and payment.*—The Government may require the licensees to file returns, forms and other statements to be submitted by him under this Act and make the payment of fee or other amounts due under this Act, electronically through the official website of the Commercial Taxes Department, in the manner as may be prescribed.

** ** * * * *

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA STAMP
ACT, 1959 (17 OF 1959)

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4. *Several instruments used in single transaction of sale, mortgage or settlement.*—(1) Where in the case of any sale, mortgage or settlement, several instruments are employed for completing the transaction, the principal instrument only shall be chargeable with the duty prescribed in the Schedule for the conveyance, mortgage, or settlement, and each of the other instruments shall be chargeable with a duty of One hundred rupees instead of the duty, if any, prescribed for it in the Schedule.

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28. *Facts affecting duty to be set forth in instrument.*— The consideration, if any, and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth therein.

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29. *Direction as to duty in case of certain conveyance.*—(1) Where any property has been contracted to be sold for one consideration for the whole, and is conveyed to the purchaser in separate parts by different instruments, the consideration shall be apportioned in such manner as the parties think fit, provided that a distinct consideration for each separate part is set forth in the conveyance relating thereto and such conveyance shall be chargeable with *ad valorem* duty in respect of such distinct consideration.

(2) Where property contracted to be purchased for one consideration for the whole, by two or more persons jointly, or by any person for himself and others, or wholly for others, is conveyed in parts by separate instruments to the persons by or for whom the same was purchased for distinct parts of the consideration, the conveyance of each separate part shall be chargeable with *ad valorem* duty in respect of the distinct part of the consideration therein specified.

(3) Where a person, having contracted for the purchase of any property but not having obtained a conveyance thereof contracts to sell the same to any other person and the property is in consequence conveyed immediately to the sub-purchaser, the conveyance shall be chargeable with *ad valorem* duty in respect of the consideration for the sale by the original purchaser to the sub-purchaser.

** ** ** **

31. *Adjudication as to proper Stamps.*—(1) When any instrument, whether executed or not and whether previously stamped or not is brought to the Collector, and the person bringing it applies to have the opinion of that officer as to duty, if any, with which it is chargeable and pays a fee of such amount (not exceeding ten rupees and not less than one rupee) as the Collector may in each case direct, the Collector shall determine the duty, if any, with which, his judgement, the instrument is chargeable.

** ** ** **

34. *Instrument not duly stamped inadmissible in evidence, etc.*—No instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence or shall be acted upon, registered or authenticated by any such person or by any public officer, unless such instrument is duly stamped:

Provided that—

(a) any such instrument not being an instrument chargeable with a duty of twenty paise or less than twenty paise shall, subject to all just exceptions, be admitted in evidence on payment of the duty with which the same is chargeable, or, in the case of an instrument insufficiently stamped, of the amount required to make up such duty, together with a penalty of five rupees or, when ten times the amount of the proper duty or deficient portion thereof exceeds five rupees, of a sum equal to ten times such duty or portion;

** ** ** **

39. *Collector's power to stamp instruments impounded.*—(1) When the Collector impounds any instrument under section 33, or receives any instrument sent to him under sub-section (2) of section 37, not being an instrument chargeable with duty of twenty paise or less, he shall adopt the following procedure:—

(a) if he is of opinion that such instrument is duly stamped or is not chargeable with duty, he shall certify by endorsement thereon that it is duly stamped or that it is not so chargeable as the case may be;

(b) if he is of opinion that such instrument is chargeable with duty and is not duly stamped he shall require the payment of the proper duty or the amount required to make up the same, together with a penalty of five rupees; or if he thinks fit, an amount not exceeding ten times the amount of the proper duty or of the deficient portion thereof whether such amount exceeds or falls short of five rupees:

** ** ** **

THE SCHEDULE

<i>Sl. No.</i>	<i>Description of instrument</i>	<i>Proper Stamp Duty</i>
(1)	(2)	(3)
	Acknowledgement of a debt exceeding twenty rupees in amount or value written or signed by, or on behalf of, a debtor in order to supply evidence of such debit in any book (other than a banker's pass book) or on a separate piece of paper when such book or paper is left in the creditor's possession; provided that such acknowledgement does not contain any promise to pay the debt or any stipulation to pay interest or to deliver any goods or other property:	
	when the amount or value does not exceed Rs. 1,000	Five rupees
	When it exceeds Rs. 1,000	Ten rupees
**	**	**
**	**	**
**	**	**
10	Articles of association of a Company	One Thousand rupees
**	**	**
15	<i>Cancellation.</i> —Instrument of (including any instrument by which any instrument previously executed is cancelled), if attested and not otherwise provided for:	Two hundred and fifty rupees
**	**	**
21	Conveyance (as defined by section 2(d), other than a conveyance specified in No. 22, not being a transfer charged or exempted under No. 55	Seven rupees for every rupees 100 or part thereof of the fair value of the land or the amount or value of the consideration for such conveyance, whichever is higher: Provided that if the conveyance relates to any transfer of un divided share of any land and refers to any agreement relating to the construction of any

(1)	(2)	(3)
		building or part of building, including flat or apartment or room etc., the value of such building or such part of the building shall also be included in such consideration, and the stamp duty if any paid in respect of such agreement shall be deducted from the stamp duty payable for the conveyance.
	**	**
22	Conveyance as defined by section 2(d), not being a transfer charged or exempted under No. 55 of immovable property situated,—	
	(i) within the Municipalities/ Townships/Cantonments other than Corporations.	Eight rupees for every rupees 100 or part thereof of the fair value of the land or the amount or value of the consideration for such conveyance, whichever is higher.
	(ii) within the Municipal Corporations.	Nine rupees for every rupees 100 or part thereof of the fair value of the land or the amount or value of the consideration for such conveyance, whichever is higher.]
		Provided that if the conveyance relates to any transfer of undivided share of any land and refers to any agreement relating to the construction of any building or part of building, including flat or apartment or room etc., the value of such building or such part of the building shall also be included in such consideration, and the stamp duty if any paid in respect of such agreement shall be deducted from the stamp duty payable for the conveyance.
	**	**
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		**

23. Copy or extract, certified to be a true copy or extract by or by order of any public officer and not chargeable under the law for the time being in force relating to Court Fees.—

- | | |
|--|---------------|
| (i) if the original was not chargeable with duty or the duty with which it was chargeable does not exceed one rupee: | Ten rupees |
| (ii) In any other case: | Twenty rupees |
| ** | ** |

40. Note or memorandum, electronically or otherwise, sent by a broker or agent to his principal, intimating the purchase or sale on account of such principal,—

- | | |
|--|---|
| (a) if relating to sale or purchase of Government securities. | Fifty rupees for every rupees one crore or part thereof of the value of security subject to a maximum of Rupees five hundred. |
| (b) if relating to purchase or sale of goods or stock or securities, other than those falling under item (a) above,— | |
| (i) in case of delivery | One rupee for every 10,000 rupees or part thereof subject to a maximum of Rs. 250. |
| (ii) in case of non-delivery | One rupee for every 50,000 rupees or part thereof subject to a maximum of Rs. 250. |
| (c) if relating to futures and options trading | One rupee for every 50,000 rupees or part thereof subject to a maximum of Rs. 250. |
| (d) if relating to forward contracts of commodities traded | One rupee for every 1,00,000 rupees or part thereof subject to a maximum of Rs. 250. |
| ** | ** |

EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA
COURT FEES AND SUITS VALUATION ACT, 1959

(10 OF 1960)

** ** ** **

52A. *Fee on Memorandum of Appeal against the order of Income Tax Appellate Tribunal or Wealth Tax Appellate Tribunal.*—Notwithstanding anything contained in Section 52, the fee payable on a Memorandum of Appeal filed before the High Court against the order of Income Tax Appellate Tribunal of the Wealth Tax Appellate Tribunal, under the Income Tax Act, 1961 (Central Act 43 of 1961) of the Wealth Tax Act, 1957 (Central Act 27 of 1957), as the case may be, shall be at the rates specified in sub-item (C) of item (iii) of Article 3 of Schedule II.

** ** ** **

69. *Refund in cases of compromise or when suit is decided on the admission of parties.*—When a suit or appeal is compromised or when a suit is decided solely on the admission of the parties without any investigation, one-half of the Court fee paid on the plaint or memorandum of appeal shall be ordered by the Court to be refunded to the parties by whom the same have been paid respectively:

Provided that no refund shall be ordered where only one-tenth of the amount of fee on plaint as required by Section 4A or one-third of the amount of fee on memorandum of appeal as required by Section 52 has been paid by the parties.

** ** ** **

76. *Legal Benefit Fund.*— (1) Notwithstanding anything contained in this Act or any other law for the time being in force, it shall be competent for the Government to levy an additional Court-fee, by notification in the Gazette, in respect of appeals or revisions to tribunals or appellate authorities, other than Civil and Criminal Courts, at a rate not exceeding one per cent of the amount involved in the dispute in cases where it is capable of valuation and in other cases at a rate not exceeding one hundred rupees for each appeal or revision.

** ** ** **

SCHEDULE II

1. * * * *]
 2. * * * *]
 3. Memorandum of appeal from an order inclusive of an order determining any question under Section 47 or Section 144 of the Code of Civil Procedure, 1908, and not otherwise provided for when presented—
 - (i) to any Court other than the High Court or to the Board of Revenue or the Chief Executive Authority or to any Executive Officer.
 - (ii) * * * *]
 - (iii) to the High Court—
 - (A) From an order other than an order under the Kerala Agriculturists Debt Relief Act, 1958.

**	**	**	**
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 - (C) From an order of the Appellate Tribunal under the Income Tax Act, 1961 or the Wealth Tax Act, 1957,—
 - (a) Where the total income of the assessee as computed by the Assessing Officer, in the case to which the appeal relates is one lakh rupees or less

	Five hundred rupees
--	---------------------
 - (b) Where such income exceeds one lakh rupees but does not exceed two lakh rupees

	One thousand and five hundred rupees
--	--------------------------------------
 - (c) Where such income exceeds two lakh rupees

	One per cent of the assessed income, subject 10 a maximum of ten thousand rupees.
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 - (d) Where the subject matter of an appeal relates to any matter, other than those specified in sub-clauses (a) to (c) above

	Five hundred rupees
--	---------------------
- | | | | |
|----|----|----|----|
| ** | ** | ** | ** |
|----|----|----|----|

Provided also that all such modified assessments or modified re-assessments or remanded assessments pending as on 31st March, 2011 shall be completed on or before 31st March 2013.

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23B. *Reduction of arrears in ceratin cases.*—(1) Notwithstanding anything contained in this Act, or in any Judgement, decree or order of any court, tribunal or appellate authority, an assessee who is in arrears of tax or any other amount due under the Act relating to the period ending on 31st March, 2005, may opt for settling the arrears by availing reduction at the following rates:

(a) in the case of demands relating to the periods up to and including 31st March, 1991, a reduction of twenty-five per cent for the tax amount, and complete reduction of the interest on the tax amount and for the amount of penalty and interest thereon;

(b) in the case of demands relating to the period from 1st April, 1991 to 31st March, 1996, a complete reduction of the interest on the tax amount, and for the amount of penalty and interest thereon;

(c) in the case of demands relating to the period from 1st April, 1996 to 31st March, 2000, a reduction of ninety-five per cent of the interest, on the tax amount, and for the amount of penalty and interest thereon.

** ** * * * *

(d) in the case of demands relating to the period from 1st April, 2000 to 31st March, 2005, a reduction of ninety per cent of the interest on the tax amount, and for the amount of penalty and interest thereon; and

(e) in cases where principal amount has already been remitted prior to coming into force of section 55C of the Act, a reduction of ninety per cent of the interest amount.

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THE SCHEDULE

[Section 5 (1)]

Goods in respect of which tax is leviable under section 5

<i>Sl. No. Sub-entry</i>	<i>Description of goods</i>	<i>Rate of tax (per cent)</i>
1	<i>Petroleum products:</i>	
(i)	Aviation turbine fuel	34
(ii)	High Speed Diesel Oil	40
(iii)	Motor Spirit (including light diesel oil but excluding petrol, naphtha, aviation turbine fuel and high speed diesel oil)	50
(iv)	Petrol other than naphtha	44
2	<i>Foreign Liquor:</i>	
(i)	Beer and wine	50
(ii)	Other than Beer and Wine	100

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EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA BUILDING TAX ACT, 1975

(7 OF 1975)

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THE SCHEDULE

(See section 5)

Rate of Building Tax

<i>Plinth Area</i>	<i>Grama Panchayat other than Special Grade Grama Panchayat (Rupees)</i>	<i>Special Grade Grama Panchayat/ Town Panchayat/ Municipal Council (Rupees)</i>	<i>Municipal Corporation (Rupees)</i>
(1)	(2)	(3)	(4)
Residential buildings			
Not exceeding 100 square metres	Nil	Nil	Nil
**		**	**
Other Buildings			
Not exceeding 50 square metres	Nil	Nil	Nil
Above 50 square metres but not exceeding 75 square metres	750	1500	3000
**		**	**
Exceeding 250 square metres	9000 plus Rs.900 for every additional 10 square metres	18000 plus Rs.1800 for every additional 10 square meters	27000 plus Rs.2250 for every additional 10 square metres

Note:—(1) In the case of buildings referred to in the *Explanation 2* to clause (c) of section 2, the rate of building tax shall be increased by 15%.

(2) In the case of buildings certified by a competent authority such as Nirmithi Kendras and the like as may be specified by Government in this behalf to low cost residential building, the rate of building tax shall be reduced by 12%.

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EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA TAX ON LUXURIES ACT, 1976
(32 OF 1976)

** ** ** **

4. *Levy and collection of luxury tax.*—(1) Subject to the provisions of this Act, there shall be levied and collected a tax, hereinafter called the 'luxury tax', in respect of any luxury provided,—

(i) in a hotel, house boat, hall, auditorium or kalyanamandapam or including those attached to hotels, clubs, kalyanamandapam and places of the like nature which are rented for accommodation for residence or used for conducting functions, whether public or private, exhibition;

(ii) by cable operators;

(iii) in a hospital ; and

(iv) (iv) in a home stay:

** ** ** **

4A.Omitted.

4B. *Registration of hotels.*—(1) Every proprietor of a hotel having not less than five rooms to be rented for accommodation for residence or otherwise and of every house boat, hall, auditorium, kalyanamandapam and place of the like nature shall get his hotel, house boat, hall, auditorium, kalyanamandapam or place of the like nature registered under the Act and the registration renewed annually.

** ** ** **

5B. *Electronic filing and payment.*—The Government may require the assessee to file returns, forms and other statements to be submitted by him under this Act and make the payment of tax, fee or other amounts due under this Act, electronically through the official website of the Commercial Taxes Department, in the manner as may be prescribed. .

6. *Assessment and collection of tax.*—(1) On receipt of a return under section 5, if the assessing authority is satisfied that the return is correct and complete it shall assess the proprietor on the basis there of.

** ** **

(4) Any final assessment under this Section shall be completed within a period of four years from the expiry of the year to which the assessment relates.

Provided that all assessments relating to the years up to and including the year 2006-07, pending as on 31st day of March, 2011, shall be completed on or before the 31st day of March, 2012.

** ** ** **

17B. *Composition of offences.*—(1) The assessing authority or other officer or authority authorized by the Government in this behalf may accept from any person or proprietor who has committed or is reasonably suspected of having committed an offence in contravention of the provisions of this Act, by way of compounding of such offence,—

(a) where the offence consists of the evasion of any tax payable under this Act, in addition to the tax so payable, a sum of money equal to the amount of tax so payable subject to a minimum of rupees five hundred and maximum of rupees four lakhs; and

(b) in other cases, a sum of money not exceeding ten thousand rupees.

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EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA
AGRICULTURAL INCOME TAX ACT, 1991

(15 OF 1991)

** ** ** **

3. *Charge of Agricultural Income tax.*—(1) Tax at the rate or rates specified in the Schedule to this Act shall be charged for each assessment year in accordance with and subject to the provisions of this Act, on the total agricultural income of the previous year of every person :

Provided that no tax is payable by any person other than a company or a firm where the total extent of landed properties, the agricultural income from which is assessable at his hands under the provisions of this Act do not exceed five hectares.

** ** ** **

EXTRACT FROM THE RELEVANT PORTIONS OF THE
KERALA VALUE ADDED TAX ACT, 2003

(30 OF 2004)

** ** ** **

INCIDENCE AND LEVY OF TAX

6. *Levy of tax on sale or purchase of goods.*—(1) Every dealer whose total turnover for a year is not less than ten lakh rupees and every importer or casual trader or agent of a non-resident dealer or dealer in jewellery of gold, silver and platinum group metals or silver articles or contractor or any State Government, Central Government or Government of any Union Territory or any department thereof or any local authority or any autonomous body whatever be his total turnover for the year shall be liable to pay tax on his sales or purchases of goods as provided in this Act. The liability to pay tax shall be on the taxable turnover,—

(a) in the case of goods specified in the Second and Third Schedules at the rates specified therein and at all points of sale of such goods within the State and in the case of goods specified below mentioned in column (4) at all points of sale of such goods within the States namely:—

<i>Sl. No.</i>	<i>Description of Goods</i>	<i>HSN Code</i>	<i>Rates of tax in Percentage</i>
(1)	(2)	(3)	(4)
1	Cigars, Cheroots, Cigarillos and cigarattes of Tobacco or of tobacco substitutes	2402	15
2	Aerated branded soft dirnks, excluding soda	***	20
3	Carry bags made of plastic which have a self carrying feature, commonly known as vest type bags or any other feature to carry commodities excluding “D” punched bags.	***	20
4	Pan Masala	2106.90.20	22.5
	**	**	**

(d) In the case of goods not falling under clauses (a) or (c) at the rate of 13.5% at all points of sale of such goods within the State Government may notify a list of goods taxable at the rate of 13.5%.

** ** ** **

(f) In the case of transfer of goods involved in execution of works contract, where the transfer is not in the form of goods, but in some other form, at the rate of 13.5 % and when the transfer is in the form of goods at the rates prescribed under the respective Schedules.

Provided that where the sale is to the Administrator, Union Territory of Lakshadweep, Laccadive Co-operative Marketing Federation, Kozhikode or the Lakshadweep Harbour Works and registered dealers certified by the Administrator, Union Territory of Lakshadweep, the tax payable under clause (d) shall be at the rate of five per cent, subject to such conditions as may be prescribed :

Provided further that a bar attached hotel, as defined under explanation to clause (c) or section 8 or a dealer in petroleum products shall be liable to pay tax under this sub-section if his total turnover under this Act and the total turnover under the Kerala General Sales Tax Act, 1963 (15 of 1963) together is not less than the limit specified under this sub-section :

Provided also that where the total turnover of a dealer, other than an importer or casual trader or agent of a non-resident dealer or dealer in jewellery of gold, silver and platinum group metals and silver articles or contractor, exceeds ten lakh rupees for the first time during the course of an year, such dealer shall be liable to pay tax under this sub-section only on the turnover in excess of ten lakh rupees; but he shall be liable to pay tax irrespective of the total turnover in any subsequent year :

Provided also that in respect of works contracts executed,

(i) Under the Sampurna Gramin Rosghar yojana or the Beneficiary Committees using the Member of Parliament/Member of Legislative Assembly Funds or Natural Calamity Relief Funds or Sarva Siksha Abiyan Funds or Funds of Local Authorities or Command Area Development Authority and OFD Works through Beneficiary Farmers' Associations or Karshaka Samithy where the total amount in respect of individual contract does not exceed ten lakhs rupees the tax payable under clause (f) above shall be five per cent;

(ii) Under the Jananidhi Project (KRWSA), the tax payable under clause (f) above shall be four per cent irrespective of the total amount in respect of the individual contract;

and the Beneficiary Committees shall be entitled to receive payment even without taking registration under the Act.

Provided also that where :

(a) the sale is to or by Military, Naval, Air Force or National Cadet Corps Canteen, Indian Naval Canteen Service, Canteen stores department, Central Police canteen and one subsidiary canteen each that may be established by the Kerala Police in each District of the State and affiliated to the Central Police Canteen ; and

(b) in case of motor vehicles, the sale is to Defense personnel or ex-servicemen on production of authorization duly issued by the authorised officer of the Canteen Stores Department Indian Naval Canteen Stores of Air Force canteen, as the case may be, the tax payable under (a) or (d) above shall subject to such conditions and restrictions as may be prescribed be at half the rate applicable to such goods :

Provided also that in respect of sale of fuel and lubricants to foreign-going vessels, other than fishing vessels, the tax payable under clause (a) or (d) above shall, subject to conditions and restrictions as may be prescribed, be half per cent:

Provided also that where sale of goods other than petroleum products, manufactured in the State is to Railways, Kerala State Electricity Board, Kerala State Road Transport Corporation or Kerala Water Authority, the tax payable under clause (d) above shall, subject to such conditions and restrictions as may be prescribed, be at five per cent:

Provided also that sculptural statues of national leaders and social reformers shall be exempted from tax payable under clauses (e) and (f) of sub-section (1) of section 6:

Provided also that the tax payable under clause (f), in respect of transfer of declared goods not in the form of goods but in some other form, shall be at the rate prescribed under the respective Schedules:

Provided also that the rate of tax on the sale of used motor vehicles shall be at 0.5 per cent and that no tax is payable under sub-section (2):

Provided also that, in respect of cinematographic films, turnover relating to sale of "copyright" under clause (a) and transfer of right to use under clause (c) shall be exempted:

Provided also that cooked food and beverages served in the house-boat paying compounded tax under the Kerala Tax on Luxuries Act, 1976 (32 of 1976) shall be exempted from tax:

Provided also that the tax payable on ayurvedic cosmetic products manufactured under a drug license granted under the Drugs and Cosmetics Act, 1940 (Central Act 23 of 1940) containing added medicaments having subsidiary therapeutic or prophylactic uses and those notified under clause (d) of sub-section (1) of section 6, for the period on and from the 1st day of April, 2005 to the 12th day of November, 2009 shall be at four per cent.

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8. *Payment of tax at compounded rates.*—Notwithstanding anything contained in section 6,—

(a) (i) any works contractor not being a dealer registered under the provisions of the Central Sales Tax Act, 1956 (Central Act 74 of 1956), and who is not an importer may, at his option, instead of paying tax in accordance with the provisions of the said section, pay tax at three per cent of the whole contract amount;

** ** **

(g) Any dealer in poultry or poultry meat which are brought from outside the state may at his option, instead of paying tax in accordance with the provisions of the said section, pay tax on the basis of floor value fixed by the Commissioner from time to time at the rate of 13.5% during the time of entry of goods into the state.

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15. *Registration of dealers.*—(1) Every dealer whose total turnover in any year is not less than five lakh rupees shall, and any other dealer may, get himself registered under this Act.

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18A. *Special provisions for registration and continuance of business as the legal heir of a deceased dealer.*—(1) Notwithstanding anything contained in section 11, where any dealer who is a sole proprietor registered under this Act dies and his legal heir continues the business, then, if such a legal heir is not a registered dealer, he shall, within four months from the date of death of the dealer, obtain registration under this Act.

(2) The legal heir who continues the business shall apply to the assessing authority with the consent of all other legal heirs, if any, of the deceased dealer for recognition of continuance of the business for the purposes of filing returns, payment of tax, input tax credit, special rebate, payment of tax under section 8 and the continuance of the registration number under this Act.

(3) The assessing authority shall, after making necessary enquiries on an application under sub-section (2), pass orders on the same within fifteen days from the date of receipt of such application.

Explanation:—The expression “the legal heir who continues the business” used in this section shall also include a partnership consisting solely of the legal heirs of the deceased dealer as partners.

** ** **

24. *Audit assessment.*—(1) Notwithstanding anything contained in any other provision of this Act, if any dealer,

(a) is found on audit of his books of accounts other records or otherwise, to have submitted incorrect or incomplete return for any return period ; or

** ** *

(c) fails to prove the claim of input tax credit, special rebate or refund claimed, the audit officer may, at any time within three years from the last date of the year to which the return relates, after conducting such enquiry as he may deem necessary, reject the returns of such return periods and complete the assessments to the best of judgement:

Provided that no assessment under this section shall be completed without affording the dealer an opportunity of being heard:

Provided further that where the defect in the return is only the application of incorrect rate of tax, mistake in the claim of input tax credit, special rebate or refund, no assessment under this sub-section shall be made where the dealer, at his option, files revised return and pays the balance tax along with interest under sub-section (5) of section 31 and thrice the interest as settlement fee:

Provided also that the time limit mentioned in this sub-section and the preceding proviso shall not apply to a dealer where the claim of input tax credit, special rebate or refund made by him was on the basis of any bogus or forged document or where the claim was otherwise fraudulent:

Provided also that the time limit for the completion of assessments for the years up to 2007-08 under this section shall be extended up to 31st March, 2013

** ** *

25. *Assessment of escaped turnover.*—(1) Where for any reason the whole or any part of the turnover of business or a dealer has escaped assessment to tax in any year or return period or has been under-assessed or has been assessed at a rate lower than the rate at which it is assessable or any deduction has been wrongly made therefrom, or where any input tax or special rebate credit has been wrongly availed of, the assessing authority may, at any time within five years from the last date of the year to which the return relates, proceed to determine, to the best of its judgment, the turnover which has escaped assessment to tax or has been under-assessed or has been assessed at a rate lower than the rate at which it is assessable or the deduction in respect of which has been wrongly made or input tax or special rebate credit that has been wrongly availed or and assess the tax payable on such turnover or disallow the input tax or special rebate credit wrongly availed of, after issuing a notice on the dealer and after making such enquiry as it may consider necessary:

Provided that before making an assessment under this sub-section the dealer shall be given a reasonable opportunity of being heard.

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Provided also that the time limit for the completion of assessments for the years up to 2007-08 under this section shall be extended up to 31st March, 2013.

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25A. *Assessment of tax based on Audit Objections.*—Notwithstanding anything contained in this Act, where an objection has been raised by the Comptroller and Auditor General of India in respect of an assessment or reassessment made or scrutiny of any return filed under this Act, and if the assessing authority is satisfied that such objection is lawful, the assessing authority shall proceed to reassess the dealer or dealers with respect to whose assessment or re-assessment or scrutiny as the case may be, the objection has been made:

Provided that no order under the section shall be passed without giving the dealer an opportunity being heard.

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SCHEDULES

“FIRST SCHEDULE

Goods Exempted from tax under sub-section (4) of Section 6

<i>Sl. No.</i>	<i>Description of Goods</i>	<i>HSN Code</i>
(1)	(2)	(3)
1	Agricultural implements manually operated or animal driven	
	(1) Spades and shovels	8201.10.00
	** ** **	** ** **
42	Rice issued from Central/State Governments depots for sale by authorised ration dealers	***
	** ** **	** ** **

(1)	(2)	(3)
61	Products Chalk, umbrella, and books (binding) manufactured by Kerala Federation of Blind at the point of sale by them	***

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SECOND SCHEDULE

Goods in respect of which tax is leviable at all points of sale at the rate of 1% under sub-section (1) of Section 6

<i>Sl. No.</i>	<i>Description of Goods</i>	<i>HSN Code</i>
(1)	(2)	(3)
1	Bullions	
	(1) Silver	7106.91.00
	(2) Gold	7108.12.00
	**	**
	(11) Waste and scrap of precious metal	7112
	(12) Gold coins	***
2	Omitted	
3	Pearls, natural or cultured	
	**	**
6	Rice including broken rice, puffed rice parched rice and beaten rice	
	(1) Rice other than paddy	1006
	(2) Puffed rice, parched and beaten rice	1904.20.00
	(3) Broken rice	1006.40.00
	**	**

THIRD SCHEDULE TAXABLE @ 5%
See Section 6(1)(a)

<i>Sl. No.</i>	<i>Description</i>	<i>HSN Code</i>
(1)	(2)	(3)
1	Agricultural and Horticultural implements not operated manually or not driven by animal, and parts thereof.	
(1)	Agricultural, horticultural or forestry machinery for soil preparations or cultivation, lawn or sports ground rollers	8432
(2)	Harvesting or threshing machinery, including straw or fodder balers, grass or hay mowers, machines for cleaning, sorting, or grading eggs, fruits, or other agricultural produce	8433
	**	**
62	Ice	2201.90.10
	**	**
86A	Municipal Solid Waste Management Equipment and Plant	***
	**	**
87	(1) Rubber Hawai chappals	***
	(2) Footwear of all kinds other than the above, whose MRP does not exceed Rs. 200 and its MRP is embossed on the sole of the footwear in the case of moulded plastic footwear, and in other case, indelibly marked	***
	(3) Parts of footwear including uppers	***
	**	**
107	Renewable energy devices and spare parts	
	(1) Wind turbine/engine	***
	(2) Parts of turbine/engine	8412.80.30

(1)	(2)	(3)
	(3) Solar Cells	8412.90.90
	(4) Solar lanterns and lamps	8541.40.11
	(5) Parts of solar lanterns and lamps	9405.50.40
	(a) of glass	9405.91.00
	(b) of plastic	9405.99.00
	(6) Solar energy equipment	***
	(7) Solar water heaters and systems	***
	(8) Solar crop driers and systems	***
	(9) Solar refrigerations, solar cold storages and solar, air-conditioning systems	***
	(10) Solar stills and desalination systems	***
	(11) Solar pumps based on solar thermal and solar photovoltaic conversion	***
	(12) Solar power generating system	***
	(13) Solar cookers	***
	(14) Concentrating and pipe type solar collectors	***
	(15) Flat plate solar collectors	***
	(16) Solar photovoltaic modules and panels for water pumps and other applications	***
	(17) Wind mills and any special designed devices which runs on wind mills	***
	(18) Any special devices including electric generators pumps running on wind energy	***
	(19) Electrically operated vehicles including Battery powered or fuel cell powered vehicles	***
	(20) Equipment for utilizing ocean waves and thermal energy in the oceans	***

(1)	(2)	(3)
	(21) Agricultural and municipal waste conversion devices producing energy	***
	(22) Biogas energy engine, Biogas plants gasholder and chulha (Burner)	***
	(23) Improved chulhas (wood burning stove)	***
	(24) Black continuously plated solar selective coating sheets, fans and tubes	***
	(25) Vacuum tube solar collectors	***
	(26) Sterling engines	***
	(27) Solid briquettes made of agricultural urban waste etc.	***
	(28) Briquettes manufacturing plant and machinery	***
	(29) Thermal efficient improve cool stove (chulha)	***
	(30) Biomass based stirling engine	***
	(31) Solar photovoltaic cells, modules and other systems/devices	***
	(32) Plants, machinery, equipment, raw material required for industrial/distillery efficient treatment plant	***
	**	**
141	Vinegar	
	(1) Brewed vinegar	2209.00.10
	(2) Synthetic vinegar	2209.00.20
	(3) Other	2209.00.90
	**	**

LIST A

See Serial Numbers of the Third Schedule

Industrial inputs and Packing Materials

<i>Sl. No.</i>	<i>Description of Goods</i>	<i>HSN Code</i>
(1)	(2)	(3)
1	Acetals and hemiacetals	
	(1) Acetals and hemiacetals whether or not with other oxygen function	2911.00.10
	(2) Others	2911.00.90
	**	**
84	Lead ores and concentrates	2607
85	Levo Thyroxine sodium	
	**	**
	“135A. Rubber latex dipped goods namely, industrial gloves, agricultural gloves and finger caps only	****
	**	**
174	Packing materials of all kinds, articles for conveyance or packing of goods of plastics, wood, paper, glass, jute, cartons, boxes and their waste, sacks and bags	
	(1) Boxes, cases, crates and similar articles of plastics	
	**	**
	(10) Polymers of ethylene in primary forms	
	(a) Linear Low Density Polyethylene (LLDPE/LDPE)	3901.10.10
	(b) HDPE	3901.10.90

(1)	(2)	(3)
	(c) Other Polyethylene	3901.20.00
	(d) Ethylene-vinyl acetate copolymers	3901.30.00
	(e) Linear Medium Density Polyethylene (LMDPE)	3901.90.10
	(f) Other	3901.90.90
**	**	**