

Thirteenth Kerala Legislative Assembly  
Bill No. 87

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**THE KERALA FINANCE BILL, 2012**

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**Thirteenth Kerala Legislative Assembly**  
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THE KERALA FINANCE BILL, 2012

A

*BILL*

*to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2012-2013.*

*Preamble.*—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2012-2013;

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

1. *Short title.*—This Act may be called the Kerala Finance Act, 2012.

2. *Amendment of Act 17 of 1959.*—In the Kerala Stamp Act, 1959 (17 of 1959), in the SCHEDULE,—

(1) in serial number 31, in clause (i), for the entry in column (2), the following entry shall be substituted, namely:—

“Where the gift is in favour of father, mother, grandfather, grandmother, husband, wife, son, daughter, brother, sister or grandchildren of a person.”;

(2) in serial number 42,—

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

“One rupee for every rupees 100 or part thereof of the fair value of the separated share or shares of land and the value of other properties in such separated share or shares set forth in the instrument or of the value of all the properties of the separated share or shares as set forth in the instrument, whichever is higher, subject to a maximum of rupees 1000.”;

(b) for the Explanation, the following Explanation shall be substituted, namely:—

“*Explanation.*—Family means father, mother, grandfather, grandmother, husband, wife, son, daughter, grandchildren, brother, sister and legal heirs of the deceased children, if any, as the case may be.”;

(3) in serial number 48, for clause (a) and the entries against it in columns (2) and (3), the following clause and entries shall, respectively be substituted, namely:—

“(a) When such release operates in favour of father, mother, grandfather, grandmother, husband, wife, son, daughter, brother, sister, grandchildren or legal heirs of the deceased children of a person.	One rupee for every rupees 100 or part thereof of the amount of the fair value of the land and the value of other properties or claims of which the right is relinquished in proportion to the right relinquished or the value of all the properties or claims of which the right is relinquished in proportion to the right relinquished or consideration for the release, whichever is higher, subject to a maximum of rupees 1000.”;
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(4) in serial number 51, in clause (a), in sub-clause (i), for the entry in column (2), the following entry shall be substituted, namely:—

“Where the settlement is in favour of father, mother, grandfather, grandmother, husband, wife, son, daughter, brother, sister or grandchildren of a person.”.

3. *Amendment of Act 13 of 1961.*—In the Kerala Land Tax Act, 1961 (13 of 1961), in section 6,—

(1) in sub-section (1),—

(a) for the words “one rupee”, “two rupees” and “four rupees”, the words “two rupees”, “four rupees” and “eight rupees” shall, respectively, be substituted ;

(b) in the proviso, for the words “fifty paise”, “one rupee” and “two rupees”, the words “one rupee”, “two rupees” and “four rupees” shall, respectively, be substituted ;

(2) in sub-section (2), for the words “one-fifth”, the words “two-fifth” shall be substituted ;

4. *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 31<sup>st</sup> March, 2011 shall be completed on or before the 31<sup>st</sup> March, 2013.”;

(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 31<sup>st</sup> March, 2011 shall be completed on or before 31<sup>st</sup> March, 2013.”;

(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 31<sup>st</sup> March, 2011 shall be completed on or before 31<sup>st</sup> March, 2013.”;

(2) after section 58, the following section shall be inserted, namely:—

“58A. *Electronic filing and payment.*—(1) The Government may require the assesseees 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.

(2) Notwithstanding anything contained in section 57, the Commissioner may, for the purpose of implementation of electronic filing of returns, forms and other statements or electronic payment of tax, fee or other amounts, by notification in the Gazette, make suitable modifications in the forms prescribed under this Act and make necessary changes in the manner of submission and authentication of such returns, forms and other statements. The modifications or changes so made shall be published in the website of the Commercial Taxes Department also and in such other manner as the Commissioner may deem fit.”.

5. *Amendment of Act 19 of 1976.*—In the Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976), in Annexure I to the Schedule, in serial number A, for items 3, 4, 5 and 6 in column (1) and the entries against them in columns (2) and (3), the following items and entries shall, respectively, be substituted, namely:—

- |   |   |
|---|---|
| “3. Motor cars and Private Service Vehicles for personal use (NTV) having purchase value upto rupees five lakhs                                     | 6% of the purchase value of the vehicle     |
| 4. Motor cars and Private Service Vehicles for personal use (NTV) having purchase value of more than rupees five lakhs and upto rupees ten lakhs    | 8% of the purchase value of the vehicle     |
| 5. Motor cars and Private Service Vehicles for personal use (NTV) having purchase value of more than rupees ten lakhs and upto rupees fifteen lakhs | 10% of the purchase value of the vehicle    |
| 6. Motor cars and Private Service Vehicles for personal use (NTV) having purchase value of more than rupees fifteen lakhs                           | 15% of the purchase value of the vehicle.”. |

6. *Amendment of Act 32 of 1976.*—In the Kerala Tax on Luxuries Act, 1976 (32 of 1976), in section 4B, to sub-section (1), the following proviso shall be added, namely:—

“Provided that the halls and auditoriums owned by religious institutions and located within the premises of places of worship shall not be liable to get registered under this Act.”.

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

(1) in section 2,—

(a) after clause (xviiiia), the following clause shall be inserted, namely:—

“(xviiiib) “Firm” means a firm as defined in the Indian Partnership Act, 1932 (Central Act 9 of 1932) and includes a limited liability partnership as defined in the Limited Liability Partnership Act, 2008 (Central Act 6 of 2009).”;

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

“(xxxia) “Partner” and “partnership” shall have the same meaning as defined in the Indian Partnership Act, 1932 (Central Act 9 of 1932) and in the Limited Liability Partnership Act, 2008 (Central Act 6 of 2009).”;

(2) in section 6,—

(a) in sub-section (1),—

(i) for clause (a), the following clause shall be substituted, namely:—

“(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, at the rates mentioned in column (4), at all points of sale of such goods within the State, 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 drinks, 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 such as “D” punched bags	***	20
4	Pan masala	2106.90.20	22.5
5	Churna for pan	2106.90.70	22.5
6	Pan chutney	***	22.5
7	Other manufactured tobacco and manufactured tobacco substitutes homogenized or reconstituted tobacco; tobacco extracts and essences	2403	22.5

*Explanation:—*The ‘Rules of Interpretation of the Schedules’ appended to the Schedules of this Act shall apply to the interpretation of the HSN codes mentioned in this clause.”;

(ii) in clause (c), for the words “four per cent”, the words “five per cent” shall be substituted;

(iii) in clause (d), for the figures and symbol “12.5%”, occurring in both places, the figures and symbol “13.5%” shall be substituted;

(iv) in clause (f), for the figures and words “12.5 per cent”, the figures and words “13.5 per cent” shall be substituted;

(v) in the first proviso, for the words “four per cent”, the words “five per cent” shall be substituted;

(vi) in the fourth proviso, for the words “four per cent”, the words “five per cent” shall be substituted;

(vii) in the fifth proviso, in item (a), for the words “Central Police Canteen and Canteen Stores Department”, the words “Canteen Stores Department, Central Police Canteen and fourteen numbers of subsidiary canteens that may be established by the Kerala Police in each District of the State and affiliated to the Central Police Canteen” shall be substituted;

(viii) in the seventh proviso, for the words “four per cent” the words “five per cent” shall be substituted;

(b) in sub-section (2), in clause (b) for the words “four per cent”, the words “five per cent” shall be substituted;

(c) in sub-section (5), to the sixth proviso, the following Note shall be added, namely:—

*“Note:—The sixth proviso shall be deemed to have come into force on and from the 1<sup>st</sup> day of April, 2005 irrespective of any amendments made in the turnover limit specified in this sub-section.”;*

(3) in section 8,—

(a) in clause (b),—

(i) in sub-clause (ii), for the letters, figures and words “Rs. 1,40,000 per annum”, the letters, figures and words “Rs. 1,60,000 per annum” shall be substituted ;

(ii) in sub-clause (iii), for the letters, figures and words “Rs. 2,80,000 per annum”, the letters, figures and words “Rs. 3,20,000 per annum” shall be substituted;



(iii) in sub-clause (iv), for the letters, figures and words “Rs. 15,00,000 per annum”, the letters, figures and words “Rs. 18,00,000 per annum” shall be substituted;

(iv) in the second proviso, for the words “twenty-five thousand” and “one lakh”, the words “thirty thousand” and “one lakh twenty thousand” shall, respectively, be substituted;

(b) in clause (e),—

(i) for the figure and words “4 per cent”, the figure and words “5 per cent” shall be substituted;

(ii) after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that with respect to hospitals which have not taken any registration under this Act, but 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 under this clause on an earlier sale; shall not be liable to pay tax on the sale of such goods for the period on and from the 1<sup>st</sup> April, 2005 to the 31<sup>st</sup> March, 2012.”;

(c) in clause (g), for the figures and symbol “12.5%”, the figures and symbol “13.5%” shall be substituted;

(4) in section 11, in sub-section (3), in the third proviso, for the words “four per cent” the words “five per cent” shall be substituted;

(5) in section 12, in sub-section (1), in the third proviso, for the words “four per cent”, the words “five per cent” shall be substituted;

(6) in section 13, in sub-section (2), in the second proviso, for the words “four per cent”, the words “five per cent” shall be substituted;

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

“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.”;

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

“Provided also that the time limit for the completion of assessments for the years upto 2007-08 under this section shall be extended upto 31<sup>st</sup> March, 2013.”;

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

“Provided also that the time limit for the completion of assessments for the years upto 2007-08 under this section shall be extended upto 31<sup>st</sup> March, 2013.”;

(10) after section 25, the following section shall be inserted, namely:-

“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 re-assessment 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 re-assess 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 this section shall be passed without giving the dealer an opportunity of being heard.”;

(11) after section 93, the following section shall be inserted, namely:-

“93A. *Electronic filing and payment.*—(1) The Government may require the assesseees 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.

(2) Notwithstanding anything contained in section 92, the Commissioner may, for the purpose of implementation of electronic filing of returns, forms and other statements or electronic payment of tax, fee or other amounts, by notification in the Gazette, make suitable modifications in the forms prescribed under this Act and make necessary changes in the manner of submission and authentication of such returns, forms and other statements. The modifications or changes so made shall be published in the website of the Commercial Taxes Department also and in such other manner as the Commissioner may deem fit.”;

(12) in the SCHEDULES,—

(a) in the First Schedule,—

(i) in serial number 2, after item (8) and the entries against it in columns (2) and (3), the following item and entries shall, respectively, be inserted, namely:—

“(9) Intra Ocular Lens 9002.19.00”;

(ii) after serial number 8 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“8A. Carry bags made of cloth \*\*\*”;

(iii) after serial number 24A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“24B Honey, honey-bee box and accessories

(1) Honey 0409.00.00

(2) Honey-bee box and accessories \*\*\*\*”;

(iv) after serial number 30B and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“30C. Life Saving Devices

(1) Pace makers for stimulating hearts  
muscles including parts and  
accessories

9021.50.00

(2) Heart valve \*\*\*\*

(3) Cardiac stents \*\*\*\*\*;

(v) after serial number 49 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“49A Tamarind seed and powder \*\*\*\*\*;

(b) in the Second Schedule,—

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

“2 Chillies dried	0904.20.10
2A Coriander Seeds	0909.20.00
2B Edible Oils	
(1) Soyabean oil	1507.90.10
(2) Groundnut oil	1508.90.91
(3) Olive oil	1509.90.10
(4) Palm oil	
(a) Refined bleached deodorised palm oil	1511.90.10
(b) Refined bleached deodorised palmolein	1511.90.20
(5) Sunflower oil	1512.19.10
(6) Saffola oil	1512.19.30
(7) Cottonseed oil	1512.29.10
(8) Babassu oil	1513.29.20
(9) Refined colza oil	1514.19.10
(10) Refined rapeseed oil	1514.19.20
(11) Refined mustard oil	1514.99.20
(12) Linseed oil	1515.19.10
(13) Maize (corn) oil	1515.29.10
(14) Castor oil	1515.30.10
(15) Sesam oil	1515.50.91

(16)	Fixed vegetable oils of edible grade namely: mango kernal oil, mahua oil, rice bran oil	1515.90.40
(17)	Other edible oils	1515.90.91
(18)	Other partly or wholly hydrogenated vegetable oils	
	(a) Cottonseed oil	1516.20.11
	(b) Groundnut oil	1516.20.21
	(c) Castor oil	1516.20.31
	(d) Other including Vanaspati	1516.20.91
(19)	Vegetable edible oils excluding HSN heading No. 1516	
	(a) Linseed oil	1518.00.11
	(b) Castor oil dehydrated	1518.00.21
	(c) Other vegetable oils edible grade	1518.00.31
(20)	Palm Kernal oil	1513.21.10
	2C Flour, Atta, Maida, Sooji,—	
	(1) Wheat or Meslin flour	1101.00.00
	(2) Rye flour	1102.10.10
	(3) Maize (corn flour)	1102.20.20
	(4) Rice flour (Puttu podi and the like)	1102.30.00
	(5) Other cereal flour	1102.90.00”;

(ii) after serial number 5 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“5A Pulses 0713”;

(c) in the Third Schedule,—

(i) in the heading, for the figure and symbol “4%”, the figure and symbol “5%” shall be substituted;

(ii) after serial number 30A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“30B. Cradles \*\*\*\*”;

(iii) in serial number 36,—

(a) in the heading, the words, letters and brackets “and those notified under clause (d) of sub-section (1) of section 6” shall be omitted;

(b) after item 26 and the entries against it in columns (2) and (3), the following item and entries shall, respectively be inserted, namely:—

“27. Ayurvedic cosmetics containing added medicaments and manufactured under drug license granted under the Drugs and Cosmetics Act 1940 (Central Act 23 of 1940) \*\*\*\*”;

(iv) serial number 38 and the entries against it in columns (2) and (3) shall be omitted;

(v) after serial number 39 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“40. Electronic Toilets \*\*\*\*”;

(vi) for serial number 48 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“48. Basen and dough and flours other than those mentioned in Second Schedule

(1) Flour, meal and powder of dried leguminous vegetables 1106

(2) Wet mix \*\*\*\*”;

(vii) in serial number 49A, to the entries in column (2), the words “Chukku Kappi Powder, Fried chips made from banana, cassava and Jack fruit”

shall be added at the end;

(viii) serial number 58 and the entries against it in columns (2) and (3) shall be omitted;

(ix) serial number 79 and the entries against it in columns (2) and (3) shall be omitted;

(x) in serial number 95, item (7) and the entries against it in columns (2) and (3) shall be omitted;

(xi) after serial number 95A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“95B. Packaged tender coconut water \*\*\*\*\*”;

(xii) serial number 102 and the entries against it in columns (2) and (3) shall be omitted;

(xiii) in serial number 120,—

(a) sub-item (b) of item (2) and the entries against it in columns (2) and (3) shall be omitted;

(b) sub-item (b) of item (7) and the entries against it in columns (2) and (3) shall be omitted;

(xiv) in serial number 126, in the entries in column (2), the words ‘tamarind seed and powder’ shall be omitted;

(d) in LIST A, in serial number 174, in the heading, the words, figures, letter and brackets “other than those specifically mentioned in serial number (3) of clause (a) of sub-section (1) of section (6)” shall be added at the end.

8. *Amendment of Act 21 of 2008.*—In the Kerala Finance Act, 2008 (21 of 2008), in section 6,—

(1) in sub-section (1),—

(a) the words, figures and bracket “sections 6 and 8 of the Kerala Value Added Tax Act, 2003 (30 of 2004) and” shall be omitted;

(b) in the proviso, for the words “six per cent”, the words “ten per cent” shall be substituted;

(2) in sub-section (4), the words, figures and bracket “section 30 of the

Kerala Value Added Tax Act, 2003 (30 of 2004) and” shall be omitted;

(3) in sub-section (5), the words and figures “assessment, input tax credit, special rebate and recovery in the Kerala Value Added Tax Act, 2003 and” shall be omitted.

#### 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 1<sup>st</sup> day of April, 2012 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 2012-2013 as announced in paras 364, 369, 372 to 394 and 396 of the Budget Speech 2012-2013, namely:—

1. The Kerala Stamp Act, 1959 (17 of 1959);
2. The Kerala Land Tax Act, 1961 (13 of 1961);
3. The Kerala General Sales Tax Act, 1963 (15 of 1963);
4. The Kerala Motor Vehicles Taxation Act, 1976 (19 of 1976);
5. The Kerala Tax on Luxuries Act, 1976 (32 of 1976);
6. The Kerala Value Added Tax Act, 2003 (30 of 2004);
7. The Kerala Finance Act, 2008 (21 of 2008).

#### FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

#### MEMORANDUM REGARDING DELEGATED LEGISLATION

A new section proposed to be inserted as 58A in the Kerala General Sales Tax Act, 1963 (15 of 1963) by sub-clause (2) of clause 4 of the Bill seeks to



empower the Commissioner of Commercial Taxes to make suitable modifications in the forms prescribed under the said Act and to make necessary changes in the manner of submission and authentication of such returns, forms and other statements for the purpose of implementation of electronic filing of returns, forms and other statements or electronic payments of tax fee or other amounts, by notification in the Gazette.

2. A new section proposed to be inserted as 93A in the Kerala Value Added Tax Act, 2003 (30 of 2004) by sub-clause (11) of clause 7 of the Bill seeks to empower the Commissioner of Commercial Taxes to make suitable modifications in the forms prescribed under the said Act and to make necessary changes in the manner of submission and authentication of such returns, forms and other statements for the purpose of implementation of electronic filing of returns, forms and other statements or electronic payments of tax fee or other amounts, by notification in the Gazette.

3. The matters in respect of which notifications may be issued are only with regard to deviation from forms and matters of routine or administrative in nature. The delegation of legislative power is, thus, of a normal character.

K. M. MANI.



(1)	(2)	(3)
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42. **Partition**—Instrument of [ (as defined by section 2(k)]

- |   |  |
|---|--|
| (i) where the partition is among all or some of the family members. | One rupee for every rupees 100 or part thereof of the fair value of the land and the value of all the properties of the separated share or shares or the value of all the share or shares of all properties, whichever is higher; subject to a maximum of rupees 1000. ; |
| (ii) any other case   | Six rupees for every rupees 100 or part thereof of the amount of the value on fair value of the separated share on shares of the property, whichever is higher;  |

*Explanation:*—Family means father, mother, husband, wife, son, daughter, grandchildren, brother, sister and legal heirs of the deceased children, if any, as the case may be.;

*N.B.:*—The largest share remaining after the property is partitioned (or if there are two or more shares of equal value and not smaller than any of the other shares; then one of such equal shares) shall be deemed to be that from which the other shares are separated:

Provided always that—

- (a) when an instrument of partition containing an agreement to divide property in severality is executed and partition is effected in pursuance of such
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(1)	(2)	(3)
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agreement, the duty chargeable upon the instrument effecting such partition shall be reduced by the amount of duty paid in respect of the first instrument but shall not be less than two rupees thirty paise ;

(b) where land is held on Revenue Settlement for a period not exceeding thirty years and paying the full assessment, the value for the purpose of duty shall be calculated at twenty five times the annual revenue;

(c) where a final order for effecting a partition passed by any Revenue Authority or any Civil Court or an award by an arbitrator directing a partition is stamped with the stamp required for an instrument of partition and an instrument of partition in pursuance of such order or award is subsequently executed, the duty on such instrument shall not exceed two rupees thirty paise.

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48. Release, that is to say, any instrument (not being such a release as is provided for by Section 24), whereby a person renounces a claim upon another person or against any specified property—

(a) When such release operates in favour of father, mother, husband, wife, son, daughter; grandchildren, brother, sister or legal heirs of the deceased children of a person	One rupee for every rupees 100 or part thereof of the amount of the fair value of the land and the value of other properties or claims or the value of all the properties or claims of which the right is relinquished in proportion to the right relinquished or consideration for the release whichever is higher, subject to a maximum of rupees 1000.
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(b) in any other case	The same duty as conveyance (No. 21 or 22, as the case may be) for such amount or value of the property or claim or fair value of the land of which the right is relinquished in proportion to the right relinquished or consideration for the release whichever is higher.
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(1)	(2)	(3)
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**51. Settlement**

(a) instrument of (including a deed of dower)

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|--|---|
| (i) Where the settlement is in favour of father, mother, husband, wife, son, daughter, brother, sister or grandchildren of a person. | Two rupees for every rupees 100 or part thereof of the fair value of the land and the value of other properties set forth in the instruments or the value of all properties set forth in such instrument, whichever is higher, subject to a maximum of rupees 1000. |
| (ii) if any other case   | The same duty as Bottomry Bond (No. 14) for a sum equal to the amount or value of the property settled as set forth in such instrument or fair value of the land whichever is higher  |

**Exemption:**

Deed of dower executed on the occasion of a marriage between Muhammadans:

Where an agreement to settle is stamped with the stamp required for an instrument of settlement and an instrument in pursuance of such agreement is subsequently executed the duty on such instrument shall not exceed five rupees.

(b) Revocation of

The same duty as a Bottomry Bond (No. 14) for a sum equal to the amount or value of the property concerned as set forth in the instrument of revocation but not exceeding one hundred rupees.

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EXTRACT FROM THE RELEVANT PORTIONS OF THE  
KERALA LAND TAX ACT, 1961 (13 OF 1961)

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6. *Rate of basic tax.*—(1) Subject to the provisions of sub-section (2) of section 7, the basic tax charged and levied under section 5 shall be at the rate of one rupee in Panchayat areas, two rupees in Town Panchayats and Municipal Council areas and four rupees in Municipal Corporation areas, per are per annum:

Provided that, where the aggregate extent of land held by a land holder does not exceed twenty ares in a Panchayat area, six ares in a Town Panchayat or Municipal Council area and two ares in a Municipal Corporation area the basic tax charged and levied on such land shall be at the rate of fifty paise in the Panchayat area, one rupee in the Town Panchayat and Municipal Council area and two rupees in the Corporation area, per are per annum.

(2) Notwithstanding anything contained in sub-section (1), where land holder or other person liable to pay basic tax proves to the satisfaction of the prescribed authority that the gross income from any land was less than five times the basic tax on such land per are per annum, the basic tax payable on such land shall be at a rate fixed by the prescribed authority calculated at one-fifth of the gross income from such land:

Provided that pending the fixation of the rate at which basic tax is payable on any land under this sub-section, the land holder shall be liable to pay basic tax on such land at the rate specified in sub-section (1) as may be applicable to such land and, on fixation of the rate of basic tax, the excess tax if any, paid or collected, shall be refunded to the person entitled thereto:

Provided further that the Government may, having regard to the potential productivity of any land used principally for growing—

(a) coconut, arecanut, pepper, tea, coffee, rubber, cardamom or cashew; or

(b) any other special crop, plant or tree that may be specified by the Government by notification in the Gazette,

levy and collect basic tax at the rate specified in sub-section (1) as may be applicable to such land notwithstanding the fact that such crops, plants, or trees had not begun to yield or bear and that for the time being no income was made from that land or that the income made was less than five times the basic tax per are per annum on such land,

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EXTRACT FROM THE RELEVANT PORTIONS OF THE  
KERALA GENERAL SALES TAX ACT, 1963  
(15 OF 1963)

17. *Procedure to be followed by the assessing authority.*—(1) Every registered dealer and every dealer liable to take out registration under this Act shall submit such return or returns relating to his turnover in such manner and within such period as may be prescribed.

(6) Any 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 this time limit shall not apply in the case of dealers who, being liable to get themselves registered as provided for under the Act and the Rules made thereunder have failed to do so or have done business as benamidars or through benamies:

Provided further that the assesment relating to the year 1994-1995 shall be completed on or before 31st March 2000:

Provided also that any assess ment other than an assessment falling under sub-section (4) or sub-section (4A), shall be completed within four months from the last date of checking of the books of accounts for the purpose of assessment for the year or within six months from such date with the permission of the next higher authority:

Provided also that the assessment relating to the years up to and including the year 2005-06 pending as on 31st March, 2011 shall be completed on or before 31st March, 2012:.

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(8) Any assessment or re-assessment in pursuance of an order appellate or revisional authority shall be completed within a period of four years from the expiry of the year in which the order was received:

Provided that all such assessments or re-assessments pending as on 31st March, 2011 shall be completed on or before 31st March, 2012:

Provided further that any modified assessment or modified re-assessment in pursuance of an order of the appellate or the revisional authority shall be completed within a period of one year from the expiry of the year in which the order was received:

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, 2012.

58. *Power to amend Schedules.*—(1) The Government may, by notification in the Gazette,—

- (a) add, omit or amend any entry in the First Schedule or the Second Schedule, but not so as to enhance the rate of tax in any case.
- (b) Transpose any entry by deleting it from the First Schedule or the Second schedule and inserting it in or adding it to the other Schedule.

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(3) All references made in this Act to the First Schedule or the Second Schedule shall be construed as references to that Schedule as for the time being amended in exercise of the powers conferred by this Section.

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(1)	(2)	(3)
1.	Motor Cycles (including motor scooters and cycles with attachments for propelling the same by mechanical power) and bicycles of all categories with or without side car or drawing a trailer.	6% of the purchase value of the vehicle.
2.	Three Wheelers (including tricycles and cycle rikshaws with attachment for propelling the same by mechanical power) not used for transport of goods or passengers.	6% of the purchase value of the vehicle.
3.	Private Service Vehicle for personal use (NTV) having cubic capacity below 1500.	6% of the purchase value of the vehicle.
4.	Motor cars having cubic capacity below 1500.	6% of the purchase value of the vehicle.
5.	Private Service Vehicle for personal use (NTV) having cubic capacity 1500 and above.	8% of the purchase value of the vehicle.
6.	Motor cars having cubic capacity 1500 and above.	8% of the purchase value of the vehicle.
7.	Construction Equipment Vehicles such as excavators, loaders, backhoe, compactor rollers, road rollers, dumpers, motor graders mobile cranes dozers, forklift trucks, self loading concrete mixers etc.	6% of the purchase value of the vehicle.
B.	Motor Cycles (including motor scooter and cycles with attachments for propelling the same by mechanical power) and three	As per the table below.

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(1)	(2)	(3)
	wheelers (including tricycles and cycle rickshaws with attachment for propelling the same by mechanical power) not used for transport of goods or passengers and private service vehicle for personal use (NTV) and motor cars which were originally registered in other States on or after 1st April, 2007 and migrated to Kerala State.	
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EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA  
TAX ON LUXURIES ACT, 1976 (32 OF 1976)

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4B. *Registration of Hotels etc.*—(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.

(2) An application for registration or renewal shall be made to such authority in such manner and within such period as may be prescribed and shall be accompanied by a fee as specified below:

- |   |   |   |
|---|---|---|
| (a) Star Hotels   | : | Six thousand two hundred and fifty rupees |
| (b) Hotels other than Star Hotels,—   |   |   |
| (i) Within the local area of a Municipal Corporation                                  | : | One thousand two hundred and fifty rupees |
| (ii) Within the local area of a Municipal Council or township by whatever name called | : | One thousand rupees                       |
| (iii) Within the local area of a grama panchayath                                     | : | Seventeen hundred and fifty rupees        |
| (b) Halls, Auditorium, Kalyanamandapams etc.,—  |   |   |
| (i) With the local area of a Municipal Corporation                                    | : | One thousand rupees                       |
| (ii) With the local area of a Municipal Council or township by whatever name called   | : | Seven hundred and fifty rupees            |
| (iii) Within the local area of a grama panchayath                                     | : | Five hundred rupees                       |

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EXTRACT FROM THE RELEVANT PORTIONS OF THE KERALA  
VALUE ADDED TAX ACT, 2003 (30 OF 2004)

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2. *Definitions.*—In this Act, unless the context otherwise requires,—

(i) “*Agriculture*” with all its grammatical variations and cognate expressions, includes floriculture, horticulture, the raising of crops, grass or garden produce, and also grazing; but does not include dairy farming, poultry farming, stock breeding, the mere cutting of wood or grass, gathering of fruit, raising of man made forest or rearing of seedlings or plants;

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(xviii A) “*Empowered Committee*” means the Empowered committee of State Finance Ministers constituted by the Ministry of Finance, Government of India on the basis of the resolution adopted in the conference of the Chief Ministers on 16th November, 1999.

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(xxxi) “*Output Tax*” means the tax charged or chargeable under this Act by a registered dealer for the sale of goods in the course of business and includes reverse tax levied under sub-section (8) of section 11;

(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 aerated branded soft drinks excluding soda at the rate of twenty per cent at all points of sale within the State.

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6. *Leavy of tax on sale or purchase of goods.*—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, at the rate of twenty per cent at all points of sale of such goods within the State, namely:—

<i>Sl. No.</i>	<i>Description of Goods</i>	<i>HSN Code</i>
(1)	(2)	(3)
1	Pan Masala	2106.90.20
2	Churna for Pan	2106.90.70
3	Pan chutney	***
4	Other manufactured tobacco and manufactured tobacco substitutes homogenized or reconstituted tobacco; tobacco extracts and essences	2403
5	aerated branded soft drinks, excluding soda	***

*Explanation:—*The ‘Rules of Interpretation of the Schedules’ appended to the Schedules of this Act shall apply to the interpretation of the HSN codes mentioned in this clause. ;

(b) Omitted

(c) in the case of transfer of the right to use any goods for any purpose whether or not for a specified period. at the rate of four per cent at all points of such transfer;

(d) in the case of goods not falling under clauses (a) or (c), at the rate of 12.5% at all points of sale of such goods within the State Government may notify a list of goods taxable at the rate of 12.5%;

(e) in the case of transfer of goods involved in the execution of works contract where transfer is in the form of goods at the rates specified for such goods in clauses (a) or (d) above, as the case may be;

(f) in the case of transfer of goods involved in the execution of works contract where the transfer is not in the form of goods, but in some other form, at the rate or 12.5 per cent 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, Lacadive 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 four per cent, subject to such conditions as may be prescribed:

Provided further that a bar attached hotel, as defined under explanation to clause (e) of 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 exceed 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 tax irrespective of the total turnover in any subsequent year:

Provided also that in respect of works contracts executed under the Sampurna Gramin Rosghar Yojana or the beneficiary committees using the Member of Parliament/Member of Legislative Assembly Funds on Natural Calamity Relief Funds or Sarva Siksha Abhiyan Funds, or funds of Local Authorities or Command Area Development Authority or execution of work under Jananidhi Project (KRWSA) 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 four per cent 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, Central Police Canteen and Canteen Stores Department ;

(b) in case of motor vehicles, the sale is to Defence personnel or ex-service men on production of authorisation duly issued by the authorised officer of the Canteen Stores Department, Indian Naval Canteen Stores or Air Force Canteen, as the case may be;

the tax payable under clauses (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 product is to Railways, The tax payable under clause (d) above shall, subject to such conditions and restrictions as may be prescribed, be at four 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 with effect from the 1st day of April 2005.

Provided also that cooked food and beverages served in a 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.

(2) Notwithstanding anything contained in sub-section (1),—

(a) every dealer who purchase taxable goods from any person other than a registered dealer shall pay tax on the purchase turnover of the goods at the rates specified under sub-section (1);

(b) every dealer who purchase taxable goods from any registered dealer other than a dealer liable to tax under this Act and despatches the goods to any place outside the state otherwise than by way of sale in the course of inter state trade or export shall pay tax on the purchase turnover of the goods at the rates specified under sub-section (1), provided that the maximum rate leviable under this clause shall not exceed four per cent:



Provided that a dealer, other than an importer, casual trader, agent of non-resident dealer, 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 autonomous body shall not be liable to tax under this sub-section if his total turnover is less than five lakh rupees;

Provided further that Khadi and Village Industrial Units manufacturing splints and veneers shall not be liable to tax under this sub-section on the turnover of purchase of softwood effected from unregistered dealers for the years 2005-06 and 2006-07. ,

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(5) Notwithstanding anything contained in sub-section (1), but subject to sub-section (2) any registered dealer not being,—

- (a) an importer, or
  - (b) a dealer making an sale in the course of interstate trade or commerce or export ; or
  - (c) a dealer registered under the Central Sales Tax Act, 1956 (Central Act 74 of 1956) ; or
  - (d) a dealer effecting first taxable sale of goods with in the State;
- or
- (e) a dealer covered by sub-section (1A) or
  - (f) a contractor,

whose total turnover for a year is below sixty lakh rupees, may at his option, pay tax at the rate of half per cent of the turnover of sale of taxable goods as presumptive tax instead of paying tax under sub-section (1) :

Provided that a dealer holding stock of goods purchased in the course of interstate trade on the date of coming into force of the Act, will have the option to pay tax under this sub-section from the beginning of the quarter following the quarter in which he has sold such goods in the state and paid tax under sub-section (1) of -section 6 and his registration under the Central Sales Tax Act, 1956 (Central Act 74 of 1956) is cancelled:

Provided further that any dealer covered by sub-section (1A) may, at his option pay tax under this sub-section from such period as may be prescribed:

Provided also that a dealer shall not be eligible to opt for payment of tax under this sub-section if his total turnover in respect of goods to which this Act applies whether under this Act or under the Kerala General Sales Tax Act 1963 (15 of 1963) had exceeded Sixty lakh rupees during the year preceding the year to which such option relates :

Provided also that a dealer shall not be liable to pay presumptive tax under this sub-section, if his total turnover is less than ten lakh rupees :

Provided also that dealers covered under this sub-section whose total turnover for a year is below rupees twenty lakhs, may pay a lump sum amount of rupees two thousand annually as presumptive tax, and the payment shall be at the rate of rupees five hundred per quarter along with a statement as may be prescribed. Such dealers shall also file an annual declaration as may be prescribed ;,

Provided also that notwithstanding anything contained in the Act or rules made thereunder, if the turnover of a dealer, who opted for payment of tax under this sub-section, has exceeded the turnover limit during the course of an year he shall be eligible for input tax credit on the turnover in excess of sixty lakh rupees.

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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 ;

(ii) any works contractor not falling under clause (i) above may, at his option, instead of paying tax in accordance with the provisions of the said section, shall pay tax at three per cent of the contract amount after deducting the purchase value of goods excluding freight and gross profit element consigned into the State on stock transfer or purchased from outside the State and for the purchase value of goods so deducted shall pay tax at the scheduled rate applicable to such goods.

(b) Any dealer producing granite metals with the aid of mechanized crushing machine may, at his option, instead of paying tax in accordance with the provisions of the said sections, pay tax at the following rates, namely:—

- (i) for each crushing machine of size not exceeding 30.48cm x 22.86 cm = Rs. 40,000 per annum ;
- (ii) for the each crushing machine of size exceeding 30.48 cm x 22.86 cm but not exceeding 40.64 cm x 25.40 cm = Rs. 1,40,000 per annum ;
- (iii) for the each crushing machine of size exceeding 40.64 cm x 25.40 cm = Rs. 2,80,000 per annum ;
- (iv) for each cone crusher Rs. 15,00,000 per annum :

Provided that in the case of dealers, who opted to pay compounded tax under this clause, no separate assessment shall be made in respect of m-sand produced by them :

Provided further that notwithstanding anything contained in this clause, dealers with a single crushing machine of size not exceeding 30.48 cm x 22.86 cm shall pay rupees Twenty five thousand only per annum and those with a single crushing machine of size above 30.48 cm x 22.86 cm but not exceeding 40.64 cm x 25.40 cm shall pay rupees one lakh only per annum, as tax under this clause.,

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(e) Any dealer, who is an importer or a manufacturer who is not entitled to any deferment of tax under section 32, of medicines and drugs falling under the Third schedule 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 sub-section (1) of section 6, tax at the rate of 4 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 mentioned means the maximum price printed on the package of any goods at which such goods may be sold to the ultimate consumer and in respect of supplies to Government of Kerala, where such price is not so printed on the package, the price charged on the sales to Government :

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



Provided also that where any goods purchased in the State are subsequently sent to outside the State or used in the manufacture of goods and the same are sent outside the State otherwise than by way of sale in the course of inter-State trade or export or where the sale in the course of inter-State trade is exempted from tax input tax credit under this section shall be limited to the amount of input tax paid in excess of four percent on the purchase turnover of such goods sent outside the State:

Provided also that where it is found that the dealer claiming input tax credit under this section has charged tax under section 6 on the turnover of goods, without making any deduction in respect of the tax paid under this Act, for which input tax credit is allowed to him under this section, the input tax credit availed of by him shall be disallowed:

Provided also that input tax credit shall not be available in respect of the tax paid on the turnover subsequently allowed as discount, and shall be disallowed where it is found that the dealer has claimed input tax credit under this section on such turnover or of such goods used in the manufacture of goods sent outside out the amount covered under credit notes issued by a supplier that do not affect the input tax credit already availed of or on account of reimbursement of any expenses incurred by the dealer shall not be reckoned for the purpose of assessment under this Act:

Provided also that no input tax credit shall be allowed where any dealer, with a view to evade payment of tax or in order to claim any inflated input tax credit or refunds under this Act, purchases goods from a sister concern of the dealer and where the sale consideration in respect of which has been influenced by such relationship, and there has been no physical transfer of the goods covered by the invoice:

Provided also that the purchase in respect of which input tax credit availed is made from a sister concern of the dealer and there is actual physical transfer of the goods involved, and the dealer availing input tax credit sells such goods at a price lower than the price for which it was purchased, the input tax credit allowable in respect of such goods shall not exceed the output tax due on such goods.

*Explanation.*— For the purpose of above provisos, ‘sister concern’ means a business run by a proprietorship or partnership, association of persons or a company which is controlled by the dealer, or by a person whom the dealer controls, or by a person who is controlled by the same person who controls the dealer:

Provided also that notwithstanding anything contained elsewhere in this Act, planters including companies or firm or society, including a co-operative society or association of individuals, whether incorporated or not, shall not be entitled to input tax credit on purchases of fertilizers, pesticides etc., ;

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12. *Special rebating in certain cases.*—(1) In calculating the net tax payable by a dealer for a return period there shall be deducted from the tax payable for the return period a sum equal to,— .

(a) the tax paid under sub-section (2) of section 6; and

(b) the tax paid under section 3 of the Tax on Entry of Goods into Local Areas Act, 1994 (15 of 1994) on the import of any goods, other than those included in the fourth schedule; where such goods are intended for re-sale or for use in the manufacture of taxable goods or for use in the execution of works contract or for use as containers or packing materials for the packing of taxable goods in the state:

Provided that where the special rebate is in respect of capital goods, the shall be allowed over a period of three years and all the conditions and restrictions applicable to input tax credit under sub-section (2) of section 11 shall apply to the special rebate under this section also:

Provided also that where the goods except plywood packing cases splints and veneers in respect of which tax is payable under sub-section (2) of Section 6 is sold in the State or in the course of inter-state trade or used in the course of manufacture of taxable goods in the month in which it is purchased, the special rebate allowable in respect of such goods resold or sold in the course of inter-state trade or used in the manufacture of goods liable to pay tax under this Act or Central Sales tax Act, 1956 may be availed in the month itself.

Provided also that where the goods in respect of which tax under sub-section (2) of section 6 or under section 3 of Kerala Tax on Entry of Goods into Local Areas Act, 1994 has been paid, are sent outside the State or used in the manufacture of goods and the same are sent outside the State otherwise than by way of sale in the course of inter-state trade or export or where the sale in the course of inter-state trade is exempted from tax, the special rebate under this section shall be limited to the amount of such tax paid in excess of four per cent:

Provided also that where the goods in respect of which tax under sub-section (2) of section 6 or under section 3 of the Kerala Tax on Entry of Goods in to Local Areas Act. 1994 has been paid and where such goods are resold in the State at reduced rate or a part of which has been resold and the balance disposed in the state otherwise than by way of sale or used in the manufacture of taxable goods, then the special rebate under this section shall not exceed the output tax payable in respect of such goods or goods manufactured out of such goods.;

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13. *Refund of input in the case of export or inter-state sale.*—(1) Every sale in the course of export shall be a Zero rate sale.

(2) Where input tax has been paid in respect of the purchase of any goods including capital goods, except those goods coming under the Fourth Schedule, and such goods are either,—

- (i) sold in the course of export; or
- (ii) sold in the course of inter-state trade or commerce; or
- (iii) sent to outside the State otherwise than by way of sale in the course of inter-state trade ; or
- (iv) (a) used or consumed in the manufacture of goods, other than those falling under the Fourth Schedule or used as containers or as packing materials for such goods and such manufactured goods are sold in the course of export; or
- (b) used or consumed in the manufacture of taxable goods or used as containers or as packing materials of such goods manufactured and such manufactured goods are sent outside the State either by way of sale in the course of inter-state trade or commerce or otherwise; or
- (v) used as Capital goods; the input tax paid on such goods shall be refunded to the person making such sales in the course of export or in the course of inter-state trade or commerce or sending such goods to outside the state, as the case may be in such manner and subject to such-conditions as may be prescribed:

Provided that the dealer claiming such refund shall not claim input tax credit on such purchases for any return period:

Provided further that where the goods are sent to outside the State 'otherwise than by way of sale in the course of inter-state trade or export or where the sale in the course of inter-state trade is exempted from tax, the refund under this section shall be limited to the amount of input tax paid in excess of four per cent on the purchase turnover of such goods sent outside the State re-sold or used in the manufacture, as the case may be :

Provided also that in the case of capital goods the refund of input tax will be allowed in such instalments as may be prescribed.

*Explanation:—*For the removal of doubt it is hereby clarified that where input tax is paid on the purchase of Duty Entitlement Pass Book or any similar licence for the import of any goods and goods so imported are used, consumed or disposed of in the manner specified in this sub-section the input tax paid on the purchase of such Duty Entitlement Pass Book or any similar licence shall for the purpose of this section and section 11 be deemed to be the input tax paid on the goods imported.

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18. *Suspension of registration in certain cases.*—(1) Notwithstanding anything contained in any other provisions of this Act, the Deputy Commissioner may, if he is satisfied that any dealer has violated the condition of a registration certificate issued to such dealer or that he has violated any of the provisions of this Act or the rules made there under or has prevented or obstructed or abetted the prevention or obstruction of any survey, inspection, entry, search or seizure by an officer empowered under this Act, without prejudice to any other action that may be taken against him under this Act, by order, suspend the registration of such dealer for such period not exceeding six months as may be specified in the order.

(2) Notwithstanding anything contained in sub-section (1) where a dealer registered under this Act has evaded tax exceeding one lakh rupees during an year, the Deputy Commissioner may, without prejudice to any other action that may be taken against him under this Act, by an order in writing, suspend, in the manner as may be prescribed, the Certificate of Registration for a period not less than six months but not exceeding one year.

(3) Any dealer who continues the business during the period of suspension of the registration shall be guilty of an offence under this Act.



19. *Issue of permits*—(1) Every registered dealer who transacts business at places other than his registered place or places of business or employs a travelling salesman or representative to transact business as aforesaid, shall obtain a permit issued under this Act authorizing himself or permitting him to authorize, the travelling salesman or representative so to do.

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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

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(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 2005-06 and 2006-07 under this section shall be extended up to 31st March, 2012.

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25. *Assessment of escaped turnover:*—(1) Where for any reason the whole or any part of the turnover of business of 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 there from, 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 judgement, 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 of 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.

Provided further that where the escapement is due to the application of incorrect rate of tax, no assessment under this sub-section shall be made where the dealer files revised return and pays the tax which has escaped assessment along with interest under sub-section (5) of section 31 and thrice the interest as settlement fee:

Provided also that the time limit for the completion of assessments for the years 2005-06 and 2006-07 under this section shall be extended up to 31st March, 2012.

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93. *Power to amend Schedules.*— (1) The Government may, by notification in the Gazette add, omit or amend any entry in any of the Schedule to this Act either prospectively or retrospectively, but not so as to enhance the rate of tax in any case.

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(3) All references made in this Act to any Schedule shall be construed as references to that Schedule as for the time being amended in exercise of the powers conferred by this Section.

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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
	**	**
2.	Aids and implements used by handicapped persons	
	(1) Orthopaedic or fracture appliances	9021.10.00
	**	**
	(8) Braille Paper	4823.90.11
	**	**
8.	Candle	3406.00.10
	**	**
24A	Handmade soaps, Squashes and pickles sold under the registered Kudumbashree Brand	***
	**	**
30.	Life Saving Drugs	
	Dineal Solution required for continuous Ambulatory Peritoneal Dialysis treatment of kidney patients and accessories required for the treatment	***
	30A Machines for milking animals	****
	30B Machines for coconut tree climbing	****
	**	**
49.	Sugar, excluding imported sugar, and Khandasari	
	(1) Cane Sugar	1701.11
	(2) Beet Sugar	1701.12.00

(1)	(2)	(3)
	(3) Refined Sugar containing added flavouring or colouring matter	1701.91.00
	(4) Sugar cubes	1701.99.10
	(5) Palmyra Sugar	1702.90.10

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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	
	**	**
5.	Semi Precious Stones	
(1)	Feldspar (Moon stone)	7103.10.21
(2)	Garnet	7103.10.22
(3)	Agate	7103.10.23
(4)	Green Aventurine	7103.10.24
(5)	Other	7103.10.29
6.	Rice including broken rice, puffed rice, parched rice and beaten rice	

## THIRD SCHEDULE

**Goods in respect of which tax is leviable at the rate of 4% under  
sub-section (1) of section 6**

<i>Sl. No.</i>	<i>Description of Goods</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
	**	**
30A	Cooked food other than those served to any airline service company or institution or shipping company for serving in aircraft, ship or steamer or served in aircrafts, ship, steamer, bar attached hotels and star hotels	***
31	Crucibles	6903.20.10
	**	**
36	Drugs, medicines and Bulk Drugs including Ayurvedic, Unani and Homoeopathic medicine but excluding mosquito repellants and those specifically mentioned in First Schedule and those notified under clause (d) of sub-section (1) of Section 6	
(1)	Pro-vitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof, used primarily as vitamins and intermixtures of the foregoing whether or not in any solvent	
	**	**
(26)	Life Saving medicine	
(1)	Vaccines of human medicines	
	**	**

(1)	(2)	(3)
	Glevce Capsules (for treatment of Blood Cancer)	***
37	Dry Fruits	
	**	**
38	Edible Oils	
1	Soyabean oil	1507.90.10
2	Groundnut oil	1508.90.91
3	Olive oil	1509.90.10
4	Palm oil	
a	Refined bleached deodorised palm oil	1511.90.10
	Refined bleached deodorised palmolein	1511.90.20
5	Sunflower oil	1512.19.10
6	Saffola oil	1512.19.30
7	Cottonseed oil	1512.29.10
8	Coconut oil	1513.11.00
9	Babassu oil	1513.29.20
10	Refined coiza oil	1514.19.10
11	Refined rapeseed oil	1514.19.20
12	Refined mustard oil	1514.99.20
13	Linseed oil	1515.19.10
14	Maize (corn) oil	1515.29.10
15	Castor oil	1515.30.10
16	Seasam oil	1515.50.91
17	Fixed vegetable oils of edible grade namely : mango kernal oil, mahua oil, rice bran oil	1515.90.40
18	Other edible oils	1515.90.91

(1)	(2)	(3)
19	Other partly or wholly hydrogenated vegetable oils	
	(a) Cottonseed oil	1516.20.11
	(b) groundnut oil	1516.20.21
	(c) castor oil	1516.20.31
	d other including vanaspati	1516.20.91
20	Vegetable edible oils excluding HSN Heading No. 1516	
	(a) linseed oil	1518.00.11
	(b) castor oil dehydrated	1518.00.21
	(c) other vegetables oils edible grade	1518.00.31
21	Palm Kernal Oil	1513.21.10
38A	Generator	***
	**	**
39	Electrodes	
	(1) Electrodes of a kind used for furnaces	8545.11.00
	(2) Other	8545.19.00
40	Omitted	
41	Equipments for communications such as private branch exchange (PBX) and Elect. Private Automatic Branch Exch. (EPABX)	8517.30.00
	**	**
48	Flour, Atta, Maida, Suji, Besan and dough	
	(1) Wheat or meslin flour	1101.00.00
	(2) Rye flour	1102.10.00
	(3) Maize (corn) flour	1102.20.00

(1)	(2)	(3)
	(4) Rice Flour (puttu podi and the like)	1102.30.00
	(5) Other cereal flour	1102.90.00
	(6) Flour, meal and powder of the dried leguminous vegetables	1106
	(7) Wet mix	***
49	Food products like pickles, corn flakes, savouries, sweets made of groundnuts, gingelly, other than those sold under brand name registered under The Trade Marks Act, 1999.	
49A	Food products like dry prawns/dry fish roasts, its chutneys and powders, coconut chutney powders and veppilai katti.	
	**	**
58	Honey, honey-bee box and accessories	
	(1) Honey	0409.00.00
	(2) Honey-bee box and accessories	***
	**	**
79	Life saving devices	
	(1) Pace makers for stimulating heart muscles, including parts and accessories	9021.50.00
	(2) Heart valve	***
	(3) Cardiac stents	***
	**	**



(1)	(2)	(3)
95	Optical goods, that is to say, spectacles, sun glasses, goggles lens and frames including attachments, parts and accessories thereof and lens care solution	
(1)	Spectacles and goggles	9004.90
**	**	**
(7)	Intra ocular lense	9002.19.00
95A	Packaged drinking water of and above 20 Litres	
**	**	**
102	Pulses	0713
**	**	**
120	Spices of all varieties and forms including their powders (masalas) and Pastes	
(1)	Mate	0903.00.00
(2)	Pepper of the genus piper dried or cruched or ground, fruits of the genus capsicum or of the genus pimenta	0904
(a)	Pepper	0904.11
(b)	Dried chillies	0904.20.10
(c)	Chilly powder	0904.20.20
(3)	Vanila	0905
**	**	**

(1)	(2)	(3)
	(7) Seeds of anise, badian, fennel, coriander, cumin, caraway at juniper berries	0909
	(a) Anise or badian	0909.10
	(b) Coriander	0909.20
	(c) Cumin	0909.30
	**	**
126	Tamarind including ball tamarind, tamarind seed and powder	0813.40.10
	**	**

## 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	Acetals and hemiacetals	
(1)	Acetals and hemiacetals whether or not with other oxygen function	2911.00.10
(2)	Others	2911.00.90
	**	**
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	
	**	**

EXTRACT FROM THE RELEVANT PORTIONS OF  
THE KERALA FINANCE ACT, 2008  
(21 OF 2008)

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6. *Levy and Collection of Cess.*—(1) There shall be levied and collected from dealers a cess at the rate of one per cent on the tax payable by them under sections 6 and 8 of the Kerala Value Added Tax Act, 2003 (30 of 2004) and section 5 and section 7 of the Kerala General Sales Tax Act, 1963 (15 of 1963), to be called the Social Security Cess, to fulfill the commitment of the Government to provide and finance a comprehensive social security scheme.

Provided that the rate of cess payable under this section shall be six per cent on the tax payable under section 5(1) (b) of the Kerala General Sales Tax Act, 1963 (15 of 1963).

(2) Notwithstanding anything contained in sub-section(1) no Cess shall be levied in respect of declared goods as defined in section 14 of the Central Sale Tax Act, 1956 (Central Act 74 of 1956).

(3) The Government may, after due appropriation made by the Legislature by law in this behalf, utilise such sums of money of the Social Security Cess for the purposes specified in sub-section (1).

(4) The provisions of section 30 of the Kerala Value Added Tax Act, 2003 (30 of 2004) and section 22 of the Kerala General Sales Tax Act, 1963 (15 of 1963) shall be applicable for the collection of Cess as per sub-section (1).

(5) The provisions regarding the assessment, input tax credit, special rebate and recovery in the Kerala Value Added Tax, 2003 and assessment and recovery in the Kerala General Sales Tax Act, 1963 shall *mutatis mutandis* apply to Cess under this section.

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