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**REPORT OF THE SUBJECT COMMITTEE  
ON  
THE KERALA FINANCE BILL, 2015  
AND  
THE BILL AS REPORTED BY THE SUBJECT COMMITTEE**

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SUBJECT COMMITTEE VIII  
(ECONOMIC AFFAIRS)

(2013-2016)

**Composition**

*Chairman :*

Shri K. M. Mani,  
Minister for Finance, Law and Housing.

*Ex-officio Members :*

Shri K. Babu,  
Minister for Fisheries, Ports and Excise.

Shri Anoop Jacob,  
Minister for Food, Civil Supplies, Consumer Protection and  
Registration.

*Members :*

Shri V. Chenthamarakshan,	M.L.A.
„ Kovoov Kunjumon,	„
„ Mullakkara Retnakaran,	„
Prof. C. Raveendranath,	„
Shri V. D. Sathcesan,	„
Dr. T. M. Thomas Isaac,	„
Shri P. Ubaidulla,	„
Shri M. P. Vincent,	„

*Legislature Secretariat :*

Shri P. D. Sarangadharan, Secretary  
„ Thomas Chettuparambil, Joint Secretary  
„ Santhosh, V., Deputy Secretary,  
Smt. Jyothi, L., Under Secretary.

THE KERALA FINANCE BILL, 2015

**Report of the Subject Committee**

The Kerala Finance Bill, 2015 (Bill No. 345) was referred to Subject Committee VIII (Economic Affairs) for joint consideration with Subject Committee II (Land Revenue and Devaswom) and Subject Committee V (Public Works, Transport and Communications). The joint meeting of Subject Committee II, V and VIII considered the Bill clause by clause and now submits this Report with the Bill as reported by the Subject Committee annexed thereto.

2. The Kerala Finance Bill, 2015 was published as a Gazette Extraordinary dated March 20, 2015. The Bill was introduced in the Assembly on March 23, 2015 and was referred to Subject Committee VIII for joint consideration with Subject Committee II and V on July 22, 2015.

3. The Committee considered the Bill clause by clause at the meeting held on July 22, 2015. The Committee recommends to adopt the Bill with the following modifications:—

*Clause 1*

For clause 1, the following shall be substituted, namely:—

"1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance Act, 2015.

(2) Save as otherwise provided in this Act,—

(i) clause (b) of sub-section (2), sub-clauses (vii) and (xiii) of clause (a) of sub-section (19) and sub-clause (i) of clause (d) of sub-section (19) of section 9 shall be deemed to have come into force on the 1st day of April, 2005.

(ii) sub-clause (iv) of clause (c) of sub-section (19) of section 9 shall be deemed to have come into force on the 19th day of July, 2011.

(iii) clause (a) of sub-section (2) of section 4, item (c) of sub-clause (v) of clause (a) and entry 7A of sub-clause (ii) of clause (b) of sub-section (19) of section 9 shall come into force at once.

(iv) the remaining provisions of this Act shall be deemed to have come into force on the 1st day of April, 2015."

*Clause 2*

For section 31A of the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (XII of 1955) proposed to be inserted by clause 2 of the Bill, the following section shall be substituted, namely:—

“31 A. *One time settlement of arrears of fees due under the Act.*—Any delay in filing of returns, forms, annual statements, accounts and other statements of a society may be condoned and the filing of the said documents may be regularised on payment of a fine of five hundred rupees in respect of each year of delay in filing any or all of the same. Application for regularisation shall be filed on or before 31st December, 2015. However the Government may extend the period of filing the application to such further period as may be specified from time to time.”

*Clause 4*

(1) In the entry in column (3), in clause (g), in serial number 5 of the Schedule to the Kerala Stamp Act, 1959 (17 of 1959) proposed to be inserted by item (b) of sub-clause (1) of clause 4 of the Bill for the words “Five hundred rupees” the words “Two hundred rupees” shall be substituted.

(2) for sub-clause (2) of clause 4 the following sub-clause shall be substituted, namely:—

in serial number 24, —

(a) in clause (i), in column (2), for the words, “One hundred rupees” the words “Five hundred rupees” shall be substituted;

(b) in clause (ii), in column (3), for the words, “One hundred rupees” the words “Five hundred rupees” shall be substituted.

*Clause 9*

(1) For the eleventh proviso to sub-section (1) of section 6 of the Kerala Value Added Tax Act, 2003 (30 of 2004), proposed to be inserted by sub-item (iii) of item (a) of sub-clause (2) of clause 9 of the Bill, the following proviso shall be substituted, namely:

“Provided also that the turnover relating to the sale of Natural Gas in any form shall be exempted from tax, for the period from 4th February, 2015 to 31st March, 2016.

(2) for the proviso inserted by item (b) of sub-clause (4) of clause 9 of the Bill, the following proviso shall be substituted, namely:—

“Provided that notwithstanding anything contained in this Act or rules made thereunder, a dealer may opt to pay tax under this sub-clause, subject to eligibility, for the periods prior to 2015-2016, whether such dealer has registered under this Act or not.”

(3) in sub-clause (4) of clause 9, after item (b), the following item shall be inserted:

“(c) after clause (h), the following clause shall be inserted, namely:—

(i) any dealer who is a multi-level marketing entity 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, the tax at the scheduled rate applicable to goods, of the maximum retail price of such goods:

Provided that the provision of this clause shall not apply to such goods sold by multi-level marketing entities otherwise than by way of multi-level marketing:

Provided further that notwithstanding anything contained in section 6 and section 15, if multi-level marketing entities pay tax on maximum retail price under this provision, subsequent dealers in the chain shall not be liable to take registration and shall be exempted from payment of tax on such goods.”

(4) in sub-clause (19),—

(i) for sub-item (v) of item (a) the following shall be substituted, namely:—

“(v) in serial number 18,—

(a) item (4) and the entries against it in columns (2) and (3) shall be omitted;

(b) for item (5) and entries against it in columns (2) and (3), the following item and entries shall, respectively, be substituted, namely:—

“(5). Nylon ropes, polyester ropes, polyester twines, other plastic ropes and twines sold by Matsyafed, Theeramythri Units approved by Government and Fishermen Co-operative Societies.

\*\*\*\*\*

(c) item (6) and the entries against it in columns (2) and (3) shall be omitted;"

(ii) in sub-item (i) of item (b) before the word "bullion" the words "or gold" shall be inserted and for the words "within the State", the words "by those agencies and its subsequent sale by dealers within the State." shall be substituted.

(iii) (a) in item (b), the serial numbers proposed to be inserted by sub-item (ii) shall be renumbered as 8, 9, 10, 11 and 12 and before the serial numbers so renumbered, the following serial number and entries against it in columns (2) and (3) shall be inserted, namely:

"7A. Embroidery or Zari articles, that is to say,  
imi, zari, kasab, saima, dabka, chumki, gota,  
sitara, naqsi, kora, glass bead, badial

(1) Embroidery without visible ground	5810.10.00
(2) Other embroidery of cotton	5810.91.00
(3) Embroidery or man-made fibres	
(a) Embroidered badges motifs and the like	5810.92.10
(b) Other embroidered articles	5810.92.90
(4) Embroidery of other textile materials	5810.99.00
(5) Zari article	*****

(b) for sub-item (v) the following shall be substituted:—

"(v) after serial number 99 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:

"99A. Polyester rope, polyester twine  
and other plastic ropes and twines not  
included in the First Schedule. \*\*\*\*\*"

4. All other changes are either verbal or consequential.

Thiruvananthapuram,  
22nd July, 2015.

K. M. MANI,  
Chairman.  
Subject Committee VIII.



THE KERALA FINANCE BILL, 2015

(As reported by the Subject Committee)

[The words underlined/sideline indicate the modifications suggested by the Committee.]

A

*BILL*

*to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2015-2016.*

*Preamble.*--WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2015-2016;

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

1. *Short title and commencement.*---(1) This Act may be called the Kerala Finance Act, 2015.

(2) Save as otherwise provided in this Act,---

(i) clause (b) of sub-section (2), sub-clauses (vii) and (xiii) of clause (a) of sub-section (19) and sub-clause (i) of clause (d) of sub-section (19) of section 9 shall be deemed to have come into force on the 1st day of April, 2005.

(ii) sub-clause (iv) of clause (c) of sub-section (19) of section 9 shall be deemed to have come into force on the 19th day of July, 2011.

(iii) clause (a) of sub-section (2) of section 4, item (c) of sub-clause (v) of clause (a) and entry 7A of sub-clause (ii) of clause (b) of sub-section (19) of section 9 shall come into force at once.

(iv) the remaining provisions of this Act shall be deemed to have come into force on the 1st day of April, 2015.

2. *Amendment of Act XII of 1955.*---In the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 (XII of 1955), after section 31, the following sections shall be inserted, namely:---

"31 A. *One time settlement of arrears of fees due under the Act.*---Any delay in filing of returns, forms, annual statements, accounts and other

statements of a society may be condoned and the filing of the said documents may be regularised on payment of a fine of five hundred rupees in respect of each year of delay in filing any or all of the same. Application for regularisation shall be filed on or before 31st December, 2015. However the Government may extend the period of filing the application to such further period as may be specified from time to time.

31B. *Electronic filing of returns etc.* Government may require the societies registered under this Act to file returns, forms and other statements to be submitted by it under this Act, electronically in such manner as may be specified.”.

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

(1) in section 4,

(a) in sub-section (2A), for the existing table, the following table shall be substituted, namely:

“TABLE

(1)	(2)	(3)
1	A licensee who lends less than five lakh rupees in an year	Ten thousand rupees
2	A licensee who lends five lakh rupees or above but less than ten lakh rupees in an year	Seventy five thousand rupees
3	A licensee who lends ten lakh rupees or above but less than twenty five lakh rupees in an year	One lakh fifty thousand rupees
4	A licensee who lends twenty five lakh rupees or above but less than fifty lakh rupees in an year	Two lakh twenty five thousand rupees
5	A licensee who lends fifty lakh rupees or above in an year	Three lakh rupees.”;

(b) for sub-section (2B), the following sub-section shall be substituted, namely:

“(2B) For the purposes of sub-section (2A), the amount lent by a licensee for the year for which the security is to be paid shall be deemed to be the aggregate amount lent by him during the previous year:

Provided that in the case of a new licensee or a person who was a licensee only for a portion of the preceding year, the amount of security shall be determined on the basis of a declaration in the prescribed form as to the amount which he is likely to lend during the year, filed before the licensing authority in the prescribed manner.”;

(2) in section 11, in clause (b) of sub-section (1), for the words “one thousand rupees”, the words “ten thousand rupees” shall be substituted.;

(3) in section 13, for the words “one thousand rupees”, the words “ten thousand rupees” shall be substituted.;

(4) in section 17, for the words “fifty thousand rupees”, the words “five lakh rupees” shall be substituted.;

(5) in section 18, in sub-section (1), for the words “one thousand rupees”, the words “twenty five thousand rupees” shall be substituted.;

(6) in section 18A, for the words “five hundred rupees”, the words “five thousand rupees” shall be substituted.;

(7) in section 18B, in sub-section (1), for the words “five hundred rupees”, the words “five thousand rupees” shall be substituted.;

(8) in section 18C, in sub-section (1), for the words “twenty five thousand rupees”, the words “fifty thousand rupees” shall be substituted.

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

(1) in serial number 5,—

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

“One thousand two hundred and fifty rupees per year in panchayat areas and two thousand and five hundred rupees per year in other areas.”;

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

“Two hundred rupees.”;

(2) in serial number 24,—

(a) in clause (i), in column (2), for the words, “One hundred rupees” the words “Five hundred rupees” shall be substituted.;

(b) in clause (ii), in column (3), for the words, “One hundred rupees” the words “Five hundred rupees” shall be substituted.

(3) in serial number 25, in clause (b), for the entry in column (3), the following entry shall be substituted, namely:—

“Five hundred rupees.”;

(4) in serial number 28, for the entry in column (3), the following entry shall be substituted, namely: —

“One thousand rupees.”;

(5) after serial number 35 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:

**“35A. Licence to let**

including any agreement to let  
or sublet for rent or fee

The same duty as a lease (No. 33).”;

(6) in serial number 36,

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

“One thousand rupees.”;

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

“The same duty as Articles of Association (No. 10) according to the authorised capital of the company.”;

(7) in serial number 50, in clause (b), for the entry in column (3), the following entry shall be substituted, namely:

“Five hundred rupees.”.

5 *Amendment of Act 17 of 1960.* In the Kerala Plantation Tax Act, 1960 (17 of 1960), in section 3, to sub-section (1), the following proviso shall be inserted, namely:

“Provided that no plantation tax shall be charged on the land comprised in a plantation held by an individual coming within the definition of “person” in clause (5) of section 2, for himself or for any other individual.”.

6. *Amendment of Act 15 of 1963.*—In the Kerala General Sales Tax Act, 1963 (15 of 1963), for section 5D, the following section shall be substituted, namely:—

“5D. *Levy of Additional Sales Tax.*—The tax payable under section 5 and section 5A shall be increased by an additional sales tax at the rate of

(i) one rupee per litre on High Speed Diesel Oil, Petrol falling under sub-entries (ii) and (iv) of serial number 1 of the Schedule, and

(ii) fifteen per cent of the tax payable under the said sections with respect to other commodities:

Provided that no additional sales tax under this section shall be levied on the tax payable on Foreign Liquor falling under serial number 2 of the Schedule:

Provided further that the Government may, by notification in the Official Gazette, vary the rate specified in item (i) above.”

7. *Amendment of Act 19 of 1976.*—In the Kerala Motor Vehicles Taxation Act, 1976 (Act 19 of 1976),—

(1) in section 3, the existing sub-section (6) shall be renumbered as sub-section (8) and before sub-section (8) so renumbered, the following sub-sections shall be inserted, namely:—

“(6) In the case of non-transport vehicles registered in any State other than the State of Kerala and entering into the State of Kerala and staying therein for a period exceeding 30 days, the levy of tax shall be at the rate specified in Annexure III of the Schedule.

(7) In the case of Motor Vehicles brought to the State from any other country for temporary use in the State, a short-term tax shall be levied at the rate specified in the schedule.”;

(2) in the SCHEDULE, after serial number 13 and the entries against it in columns (2) and (3), the following serial number and entries shall respectively be inserted, namely:—

“14. Motor Vehicles brought to the State from any other country for temporary use in the State,—

(a) for the first month of stay or part thereof	10000.00
---	----------

(b) for every subsequent month of stay or part thereof 5000.00”;

(3) in ANNEXURE I, in serial number A, for items 1 and 2 and the entries against them in columns (2) and (3), the following items and entries shall, respectively, be substituted, namely:-

- |  |  |
|--|--|
| <p>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 having purchase value up to rupees one lakh</p>                           | <p>8% of the purchase value of the vehicle</p>     |
| <p>2. 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 having purchase value above rupees one lakh and up to rupees two lakh</p> | <p>10% of the purchase value of the vehicle</p>    |
| <p>2A. 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 having purchase value above rupees two lakhs</p>                         | <p>20% of the purchase value of the vehicle.”;</p> |

(4) after ANNEXURE II, the following Annexure shall be inserted, namely:---

"ANNEXURE III

[See section 3(6)]

Sl. No.	Class of Vehicle	Amount of Tax
(1)	(2)	(3)
	Period of stay exceeding 30 days and up to one year	Period of stay exceeding one year
1	Motor Cycle and three wheelers	200
		One time tax proportionate to the rate specified in Annexure I
2	Motor Cars	1500
		One time tax proportionate to the rate specified in Annexure I
3	Private Service Vehicle for personal use	
A	Passenger Capacity up to 10 seats—for every passenger	300
		One time tax proportionate to the rate specified in Annexure I
B	Passenger Capacity more than 10—for every passenger	500
		One time tax proportionate to the rate specified in Annexure I
4	Construction Equipment Vehicles and other non-transport vehicles	1000
		One time tax proportionate to the rate specified in Annexure I."

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

(1) in section 2, in clause (ia), for the word "apartment" occurring in both the places, the words "apartment or villa" shall be substituted;

(2) in section 4,

(a) in sub-section (1), in item (ia), the words "or villa" shall be added at the end;

(b) in sub-section (2),

(i) in clause (d), after the word "apartment", the words "or villa" shall be inserted;

(ii) after clause (c), the following clause shall be inserted, namely:—

“(ca) In respect of charitable hospitals exempted under sub-section (1) of section 18C of the Kerala Value Added Tax Act, 2003 (30 of 2004), for charges of accommodation for residence for use of amenities and services, at the rate of ten per cent per room where the gross charges, excluding charges of food, medicine and the professional services is two thousand rupees per day or more.”;

(3) in section 4B, in sub-section (2), for items (a), (b) and (c) the following items shall respectively be substituted, namely:—

“(a) Star hotels	Nine thousand three hundred and seventy five rupees
(b) Hotels other than star hotels,	
(i) Within the local area of a Municipal Corporation	One thousand eight hundred and seventy five rupees
(ii) Within the local area of a Municipal Council or Town Panchayat	One thousand five hundred rupees
(iii) Within the local area of a Village Panchayat	One thousand one hundred and twenty five rupees
(c) Hall, Auditorium, Kalyanamandapam, etc.,	
(i) Within the local area of a Municipal Corporation	One thousand five hundred rupees
(ii) Within the local area of a Municipal Council or Town Panchayat	One thousand one hundred and twenty five rupees
(iii) Within the local area of a Village Panchayat	Seven hundred and fifty rupees.”;



(4) in section 4C, in sub-section (2), for the words "one thousand" and "five hundred", the words "one thousand five hundred" and "seven hundred and fifty" shall, respectively, be substituted;

(5) in section 4E, for the words "registration fee of rupees one thousand", the words "registration fee of rupees one thousand five hundred" shall be substituted;

(6) in section 4F, for the words "registration fee of rupees one thousand", the words "registration fee of rupees one thousand five hundred" shall be substituted;

(7) in section 4G, for the word "apartment" wherever it occurs, the words "apartment or villa" and for the words "one thousand" the words "one thousand five hundred" shall respectively, be substituted;

(8) after section 7A, the following section shall be inserted, namely: -

*"7B. Powers of revision of the Deputy Commissioner suo motu.--(1)*  
The Deputy Commissioner may, of his own motion, call for and examine any order passed or proceedings recorded under this Act by any officer or authority subordinate to him which in his opinion is prejudicial to the interest of revenue and may make such enquiry or cause such enquiry to be made and, subject to the provisions of this Act, may pass such order thereon as he thinks fit.

*Explanation.--*For the purpose of this section an order passed or proceedings recorded shall be deemed to be prejudicial to the interest of revenue where the tax or other amount assessed or demanded is lower than what is actually due.

(2) The Deputy Commissioner shall not pass any order under sub-section (1) if,—

(a) the time for appeal against the order has not expired;

(b) the order has been made the subject matter of an appeal to the Appellate authority or the Appellate Tribunal or of a revision in the High Court; or

(c) more than four years have expired from the year in which the order referred to therein was passed.

(3) Notwithstanding anything contained in sub-section (2), the Deputy Commissioner may pass an order under sub-section (1) on any point which has not been decided in an appeal or revision referred to in clause (b) of sub-section (2), before the expiry of a period of one year from the date of the order in such appeal or revision or before the expiry of the period of four years referred to in clause (c) of that sub-section, whichever is later.

(4) No order under this section adversely affecting a person shall be passed unless that person has had a reasonable opportunity of being heard.”

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

(1) in section 2,

(a) after clause (xxvii), the following clauses shall be inserted, namely:

“(xxviiA) “multi-level marketing” means marketing and sale of goods of a multi-level marketing entity through direct sellers or through direct sellers and distributors, otherwise than through shops, to the customers or consumers, generally in their houses or at their workplace or through demonstration of such goods at a particular place or by mail order sale;

(xxviiB) “multi-level marketing entity” means a company registered under the Companies Act, 2013 (Central Act 18 of 2013) or any partnership firm registered under the Partnership Act, 1932 (Central Act IX of 1932) or under the Limited Liability Partnership Act, 2008 (Central Act 6 of 2009) engaged in multi-level marketing.”;

(b) in clause (li), the following Explanation shall be inserted, namely:

“*Explanation:* Notwithstanding anything contained in any judgment, decree or order of any court or tribunal or any authority, the balance of contract amount received or receivable by a principal contractor in his account, after deducting the amount paid to registered sub-contractors in accordance with the rules prescribed in this behalf, shall form the total turnover of the principal contractor for determining the balance transfer value of the materials involved in the execution of such works contract.”;

(2) in section 6,—

(a) in sub-section (1),—

(i) after the words “any autonomous body” the words “or any multi-level marketing entity, their distributor and/or agent engaged in multi-level marketing” shall be inserted;

(ii) in clause (a), in the Table,—

(a) in serial number 3A, in the entry in column (2), the following words shall be added at the end, namely:—

“including styrofoam and styrofoam sheets”;

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

“3B. Printed banners, hoardings and \*\*\* 20.”;  
leaflets of Poly Vinyl Chloride/  
Polyethylene and other  
plastic sheets

(iii) for the eleventh proviso, the following proviso shall be substituted, namely:—

“Provided also that the turnover relating to the sale of Natural Gas in any form shall be exempted from tax, for the period from 4th February, 2015 to 31st March, 2016.”;

(b) in sub-section (5), in Explanation II, the following Note shall be inserted, namely:—

“Note.—It shall be deemed to have come into force on the 1st day of April, 2005.”;

(3) section 6A shall be omitted;

(4) in section 8,—

(a) in clause (a), in sub-clause (i),—

(i) after the words “any works contractor”, the words and brackets “other than those who undertake interior decoration and furnishing contracts, electrical, refrigeration or air conditioning contracts or contracts relating to supply and installation of plant, machinery, rolling shutters, cranes, hoists, elevators (lifts), escalators, generators, generating sets, transformers, weighing machines, air conditioners and air coolers, deep freezers, laying of all kinds of

tiles (except brick tiles), slabs and stones (including marble)" shall be inserted;

(ii) after Explanation 2, the following Explanation shall be inserted, namely:—

*"Explanation 3:— A composite contract for the construction of building shall not be treated as a contract of the nature specified under this sub-clause merely for the reason that the contract also involves works which are excluded from the said sub-clause."*;

(b) in clause (c), to sub-clause (i), the following proviso shall be inserted, namely:

*"Provided that notwithstanding anything contained in this Act or rules made thereunder, a dealer may opt to pay tax under this sub-clause, subject to eligibility, for the periods prior to 2015-2016, whether such dealer has registered under this Act or not."*;

(c) after clause (h), the following clause shall be inserted, namely:—

*"(i) any dealer who is a multi-level marketing entity 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, the tax at the schedule rate applicable to goods, of the maximum retail price of such goods:*

*Provided that the provision of this clause shall not apply to such goods sold by multi-level marketing entities otherwise than by way of multi-level marketing:*

*Provided further that notwithstanding anything contained in section 6 and section 15, if multi-level marketing entities pay tax on maximum retail price under this provision, subsequent dealers in the chain shall not be liable to take registration and shall be exempted from payment of tax on such goods."*

(5) in section 10, in sub-section (1), in the proviso, for the words four per cent" the words "five per cent" shall be substituted;

(6) in section 15, in sub-section (2), after item (xi), the following items shall be inserted, namely:

*"(xii) any multi-level marketing entity, their distributor and/or agent engaged in multi-level marketing;*

*(xiii) any job-worker receiving goods from outside the State for job-works."*;

(7) in section 16, in sub-section (7), for items (a) and (b), the following items shall, respectively, be substituted, namely:—

“(a) in the case of a dealer who is not an importer,—

- |  |                     |
|--|---------------------|
| (i) having a total turnover of up to rupees twenty five lakh in the previous year  | Five hundred rupees |
| (ii) having a total turnover of above twenty five lakh rupees in the previous year | One thousand rupees |

(b) in the case of others    Three thousand rupees.”;

(8) in section 18C, in sub-section (1),—

(a) in clause (a), for the words, brackets and figures “orders of exemption applicable to charitable institutions under the Income Tax Act, 1961 (Central Act 43 of 1961)” the words, brackets and figures the registration of such institutions under section 12AA of the Income Tax Act, 1961 (Central Act 43 of 1961)” shall be substituted;

(b) in the first proviso, for the words “orders of income tax exemption:” the words, brackets and figures “registration of such institutions under section 12AA under the Income Tax Act, 1961 (Central Act 43 of 1961)” shall be substituted.

*Note*:—Item (a) and (b) shall be deemed to have come into force on the 1st day of April, 2014.”;

(9) in section 21, the existing provision shall be numbered as sub-section (1), and after sub-section (1) so numbered the following sub-section shall be inserted, namely:—

“(2) Where the dealer detects any omission or mistake in the monthly return submitted under sub-section (1), he shall file a revised return rectifying the mistake or omission within two months from the last day of the return period to which the return relates. As a result of such revised return, if the tax payable by the dealer increases, the dealer shall furnish along with such revised return, proof of payment of tax, interest due thereon at the rates specified in section 31 and penal interest calculated at twice the said rate. Subject to the provisions of sections 22, 24 and 25, the assessment relating to the return period shall be deemed to have been completed on the receipt of such revised return.”;

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

“Provided also that the period for the completion of assessments including those subjected to extension under section 25B which expires on 31st March, 2015 shall be extended up to 31st March, 2016.”;

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

“Provided also that the period for the completion of assessments including those subjected to extension under section 25B which expires on 31st March, 2015, shall be extended up to 31st March, 2016.”;

(12) in section 30, the proviso to sub-section (1) shall be omitted;

(13) in section 52, the following sentence shall be added at the end, namely:

“For this purpose such agencies or authorities shall take registration following such procedure as may be prescribed.”;

(14) in section 54,

(a) after the words “any proceedings” the words “or for the purpose of general inquiry or survey” shall be inserted;

(b) the following proviso shall be inserted, namely:--

“Provided that in the case of general inquiry or survey the power shall be exercised only with the prior approval of an officer of and above the rank of Deputy Commissioner”;

(15) after section 54, the following section shall be inserted, namely:--

“54A. *Entities engaged in electronic commerce to furnish certain details.* All companies and entities maintaining an electronic commerce website shall file monthly, the details of goods sold through such sites in such form as may be prescribed, which are transported into or outside the State as a result of such sale. For this purpose they shall take registration under this Act, in such manner as may be prescribed.”;

(16) in section 58, in sub-section (1), the words, figures, and brackets “sub-section (8) or sub-section (9) of section 44, section 49, section 67, section 68, section 69 or section 70” shall be omitted;

(17) in section 82,

(a) after the words “assessing authority”, the words “may collect information through general inquiry or survey and for that purpose” shall be inserted;

(b) the following proviso shall be inserted, namely:

“Provided that in the case of general inquiry or survey the power shall be exercised only with the prior approval of an officer of and above the rank of Deputy Commissioner”;

(18) in section 94, in sub-section (2A), after the words “entire tax due” the words “with interest thereon till the date of such payment”, shall be inserted;

(19) in the SCHEDULES,—

(a) in the First Schedule,—

(i) in serial number 3, in the heading, the words ‘poultry feed’ shall be omitted;

(ii) serial number 4A and the entries against it in columns (2) and (3) shall be omitted;

(iii) in serial number 7, in the entry against it in column (2), the words “other than those specifically mentioned in the Third Schedule” shall be added at the end;

(iv) for serial number 17A and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be substituted, namely:—

“17A. Fabricated wall panels made of  
glass fibre reinforced gypsum \*\*\*\*\*”;

(v) in serial number 18,—

(a) item (4) and the entries against it in columns (2) and (3) shall be omitted;

(b) for item (5) and the entries against it in columns (2) and (3), the following item and entries shall, respectively, be substituted, namely:—

“(5). Nylon ropes, polyester ropes,  
polyester twines, other plastic ropes  
and twines sold by Matsyafed,  
Theeramythri Units approved by  
Government and Fishermen  
Co-operative Societies. \*\*\*\*\*”;

(c) item (6) and the entries against it in columns (2) and (3) shall be omitted;

(vi) serial number 23A and the entries against it in columns (2) and (3) shall be omitted;

(vii) in serial number 24B, the following Note shall be inserted, namely:—

“Note:—This entry shall be deemed to have come into force on the 1st day of April, 2005.”;

(viii) serial number 27 and the entries against it in columns (2) and (3) shall be omitted;

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

“ 39A. Plastic recycling plant and machinery \*\*\*

39B. Pyrolysis oil obtained from recycling of plastics, at the point of sale by such recycling units \*\*\*\*”;

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

“42C Rubber wood \*\*\*\*”;

(xi) serial number 46A and the entries against it in columns (2) and (3) shall be omitted;

(xii) serial number 51 and the entries against it in columns (2) and (3) shall be omitted;

(xiii) in serial number 55, in the heading in column (2), the words “and Khadi and Village Industries Commission”, shall be added at the end;

(xiv) after serial number 62 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“63. Used plastic and electronic waste \*\*\*\*”;

(b) in the Second Schedule, —

(i) in serial number 1, —

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

“ (2) Gold or gold bullion sold by agencies notified by Director General of Foreign Trade and those authorised by Reserve Bank of India for import of gold into the country, at the point of sale by those agencies and its subsequent sale by dealers within the State.”; \*\*\*\*”;

(b) items (7) to (12) and the entries against them in columns (2) and (3) shall be omitted;



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

“7A. Embroidery or Zari articles, that is to say, imi, zari, kasab, saima, dabka, chumki, gota, sitara, naqsi, kora, glass bead, badial	
(1) Embroidery without visible ground	5810.10.00
(2) Other embroidery of cotton	5810.91.00
(3) Embroidery or man-made fibres	
(a) Embroidered badges motifs and the like	5810.92.10
(b) Other embroidered articles	5810.92.90
(4) Embroidery of other textile materials	5810.99.00
(5) Zari article	****
8. Handloom cloth, Handloom bed sheet and Pillow cover	***
9. Khadi cloth, garments and made ups	***
10. Silk fabrics and sarces made of natural silk	5007
11. Textiles fabric	
(1) Wool	
(a) Woven fabrics of carded wool or of carded fine animal hair	5111
(b) Woven fabrics of combed wool or of combed fine animal hair	5112
(c) Woven fabrics of coarse animal hair or of horse hair.	5113
(2) Cotton	
(a) Woven fabrics of cotton containing 85% or more by weight of cotton weighing not more than 200 gm/m <sup>2</sup>	5208
(b) Woven fabrics of cotton containing 85% or more by weight of cotton weighing more than 200 gm/m <sup>2</sup>	5209

(c)	Woven fabrics of cotton containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200 gm/m <sup>2</sup>	5210
(d)	Woven fabrics of cotton containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200 gm/m <sup>2</sup>	5211
(e)	Other woven fabrics of cotton.	5212
(3)	Woven fabrics of Flax	5309
(4)	Woven fabrics of jute or of other textile base fibres	5310
(5)	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn	5311
(6)	Man-made filaments	
(a)	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of HSN heading 5404	5407
(b)	Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of HSN heading 5405.	5408
(7)	Man-made Staple Fibres	
(a)	Woven fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibres	5512
(b)	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170m <sup>2</sup>	5513
(c)	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 m <sup>2</sup>	5514

- |     |  |      |
|-----|--|------|
| (d) | Other woven fabrics of synthetic staple fibres   | 5515 |
| (e) | Woven fabrics of artificial staple fibres.   | 5516 |
| (8) | Special Woven fabrics; Tufted textile fabrics; Lace, Tapestries, Trimmings; Embroidery   |      |
| (a) | Woven pile fabrics and chenille fabrics other than HSN heading nos. 5802 or 5806   | 5801 |
| (b) | Terry toweling and similar woven terry fabrics other than narrow fabrics of HSN heading nos. 5806; tufted textile fabrics other than HSN heading no. 5703  | 5802 |
| (c) | Gauze other than narrow fabrics of HSN heading no. 5806  | 5803 |
| (d) | Tullies and other net fabrics not including woven, knitted or crocheted fabrics, lace in the picce, in strips or in motifs, other than fabrics of HSN heading nos. 6002 to 6006                      | 5804 |
| (e) | Hand woven tapestries of the type gobelins, flanders, aubusson, beauvals and the like and needle worked tapestries (for example petit point, cross stitch), whether or not made-up                   | 5805 |
| (f) | Narrow woven fabrics other than goods HSN heading no. 5807; narrow fabrics consisting warp without weft assembled by means of an adhesive (bolducs).   | 5806 |
| (g) | Woven fabrics of metal thread and woven fabrics of metalized yarn of HSN heading no. 5605 of a kind used in apparel as furnishing fabrics of a similar purpose, not elsewhere specified or included. | 5809 |

- |  |      |
|--|------|
| (9) Textiles fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of the books or the like; Tracing cloth; Prepared painting canvas; Buckram and similar stiffened textile fabrics of a kind used for hat foundations | 5901 |
| (10) Tyre cord fabric of high tenacity yarn or other polymers, polyesters or viscose rayon   | 5902 |
| (11) Textile wall coverings  | 5905 |
| (12) Rubberised textile fabrics, other than tyre cord fabrics of high tenacity yarn or nylon or other polyamides polyesters or viscose rayon   | 5906 |
| (13) Textile fabrics, otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like  | 5907 |
| (14) Knitted or chrocheted fabrics   |      |
| (a) Pile fabrics, including 'long pile' fabrics and terry fabrics, knitted or chrocheted   | 6001 |
| (b) Knitted or chrocheted fabrics of a width not exceeding 30 cm., containing by weight 5% or more of elasto meric yarn of rubber thread, other than those of IISN heading no. 6001  | 6002 |
| (c) Knitted or chrocheted fabrics of a width not exceeding 30 cm., other than those of IISN heading nos. 6001 or 6002  | 6003 |
| (d) Knitted or chrocheted fabrics of a width exceeding 30 cm., containing by weight 5% or more of elasto meric yarn of rubber thread, other than those of IISN heading no. 6001  | 6004 |
| (e) Wrap knit fabrics (including those made on gallon knitting machines), other than those of IISN heading nos. 6001 to 6004   | 6005 |
| (f) Other knitted or chrocheted fabrics.   | 6006 |

## 12. Prepared poultry feed

\*\*\*\*;

(c) in the Third Schedule,—

(i) after serial number 18 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“18A. Brooms, brushes and mops made of plastic used for floor cleaning and toilet cleaning \*\*\*\*”;

(ii) in serial number 51A, after item (8) and the entries against it in columns (2) and (3), the following items and entries shall respectively, be inserted, namely:—

(9)	Articles of ‘goldsmiths’ or ‘silversmiths’ wares and parts thereof of precious metals or of metal clad with precious metal	7114
(10)	Other articles of precious metal or of metal clad with precious metals	7115
(11)	Silver, semi-manufactured	7106.92
(12)	Gold, semi-manufactured	7108.13.00
(13)	Waste and scrap of precious metals	7112
(14)	Gold coins	***
(15)	Gold bullion other than those specified in Second Schedule	****”.

(iii) after serial number 92 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“92A. Nylon Rope not included in the first Schedule \*\*\*\*”;

(iv) in serial number 97 A, the following Note shall be inserted, namely:—

“Note.—This entry shall be deemed to have come into force on the 19th day of July, 2011.”;

(v) after serial number 99 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:

“99A. Polyester rope, polyester twine \*\*\*\*\*;  
and other plastic ropes and twines not  
included in the First Schedule.

(vi) in serial number 100, in the heading, the words “but excluding those mentioned in serial number 3B of the table in clause (a) of subsection (1) of section 6” shall be added at the end;

(vii) for serial number 130 and the entries against it in columns (2) and (3) the following serial number and entries shall, respectively, be substituted, namely:

“130. Toys excluding electronic and plastic toys \*\*\*”;

(viii) after serial number 146 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:

“147. Electronic goods and systems for \*\*\*\*\*;  
defence purposes notified by the  
Government, and manufactured by  
units situated in the State

(d) in List A, -

(i) in serial number 84A, the following Note shall be inserted, namely: -

“Note. This entry shall be deemed to have come into force on the 1st day of April, 2005.”;

(ii) serial number 136A and the entries against it in columns (2) and (3) shall be omitted.

Secretariat of the Kerala Legislature,  
Thiruvananthapuram,  
22nd July, 2015.

P. D. SARANGADIARAN,  
Secretary.