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കേരള സർക്കാർ  
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Reg. No. രജി. നമ്പർ  
KL/TV(N)/12/2006-2008

# KERALA GAZETTE

കേരള ഗസറ്റ്

EXTRAORDINARY

അസാധാരണം

**PUBLISHED BY AUTHORITY**

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GOVERNMENT OF KERALA

**Law (Legislation-A) Department**

NOTIFICATION

No. 12302/Leg. A2/2006/Law.

Dated, Thiruvananthapuram

24th October, 2006

2nd Karthika, 1928

The following Act of the Kerala State Legislature is hereby published for general information. The Bill as passed by the Legislative Assembly received the assent of the Governor on the 24th day of October, 2006.

**Act 22 of 2006****THE KERALA FINANCE ACT, 2006**

*An Act to give effect to certain financial proposals of the Government of Kerala for the Financial year 2006-07.*

*Preamble.*—WHEREAS, it is expedient to give effect to certain financial proposals of the Government of Kerala for the Financial Year 2006-07.

BE it enacted in the Fifty-seventh year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Finance Act, 2006.

(2) (a) Sub-section (5) of section 3 and clause (d) and (e) of sub-section (5) of section 5 of this Act shall be deemed to have come into force on the 1st day of April, 2006 ;

(b) Sub-clause (iv) of clause (a) of sub-section (2) of section 5 of this Act shall be deemed to have come into force on the 19th day of August, 2005;

(c) Sub-clause (ii) of clause (d) of sub-section (2), clause (g) of sub-section (5), items (vii) (viii) and (xii) of clause (a) and items (i), (ii), (iv), (v), (vi), (x), (xii) to (xvi), (xviii), (xx), (xxi), (xxv), (xxvii), (xxviii), (xxx) to (xxxv), sub items (a) to (d) of item (xxxvi) of clause (c) of sub-section (24) of section 5 of this Act shall be deemed to have come into force on the 1st day of April, 2005; and

(d) the remaining provisions of this Act shall be deemed to have come into force on the 1st day of July, 2006.

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

(1) for section 7, the following section shall be substituted, namely:—

“7. *Payment of tax at compounded rates.*—Notwithstanding anything contained in sub-section (2) of section 5, any bar attached hotel, not being a star hotel of and above three star hotel, heritage hotel or club, may, at its option, instead of paying turnover tax on foreign liquor in accordance with the provisions of the said sub-section pay turnover tax on the turnover of foreign liquor calculated,—

(a) at one hundred and forty per cent of the purchase value of such liquor, in the case of those situated within the area of a municipal corporation or a municipal council or a cantonment, and at one hundred and thirty five per cent of the purchase value of such liquor, in the case of those situated in any other place; or

(b) at one hundred and fifteen per cent of the highest turnover tax payable by it as conceded in the return or accounts or the turn over tax paid for any of the previous consecutive three years, whichever is higher.”.

(2) in section 17,—

(a) for the fourth and fifth provisos to sub-section (6), the following proviso shall be substituted, namely:—

“Provided also that the assessment relating to the years upto and including the year 2001-02 pending as on 31st March, 2006 shall be completed on or before the 31st day of March, 2007.”;

(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 the 31st day of March, 2006 shall be completed on or before the 31st day of March, 2007.”;

(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 the 31st day of March, 2006 shall be completed on or before the 31st day of March, 2007.”.

(3) after section 17B the following section shall be inserted, namely:—

“17C. *Assessment in certain cases treated as completed.*—(1) Notwithstanding anything contained in section 17, the assessment for the period upto the 31st day of March, 2005 in respect of any registered dealer, who falls under any of the categories mentioned in sub-section (4) of the said section as it stood on the 31st day of March, 2005 and who has filed returns and paid tax in accordance with the provisions thereof, pending on the 1st day of April, 2006 shall, subject to the provisions of sub-section (2), be treated as completed.

(2) Notwithstanding anything contained in sub-section (1) where the Commissioner or the Deputy Commissioner, as the case may be, is satisfied on information or otherwise, that a registered dealer,—

(a) has concealed any sale or purchase; or

(b) has furnished incorrect statement of his turnover or incorrect particulars of his sales, in the return submitted under section 17 or otherwise, relating to an assessment made under sub-section (1), which has resulted in reduction of the amount of tax payable by him under this Act in respect of any of the periods, the Commissioner or the Deputy Commissioner, as the case may be, shall, within five years from the 1st day of April, 2006, direct the assessing authority to reopen the assessment for such period after giving such dealer a reasonable opportunity of being heard and to make fresh assessments following the procedure under sub-section (3) of section 17, for that period to the best of his judgment and the time limit specified under section 19 shall not apply to such fresh assessment.

(3) Where on reopening of an assessment under sub-section (2), it is found that the amount of tax, if any, paid by a dealer is less than the amount of tax, which he is liable to pay on such fresh assessment, the assessing authority shall direct such dealer to pay the difference between the amount of tax already paid and that arrived at on such fresh assessment, together with thrice the amount of such difference as penalty:

Provided that no penalty shall be imposed under this sub-section on a registered dealer, in respect of such period, where such dealer voluntarily discovers omissions or errors or other facts resulting in short payment of tax due from him according to books of accounts and furnishes revised return, together with proof of payment of the balance amount of tax and interest under sub-section (3) of section 23, which is found to be payable, on or before the 31st day of December, 2006.”;

(4) in section 44, in sub-section (3), after the words “towards the recovery of any amount due”, the words “under this Act or under the Central Sales Tax Act, 1956 or under the Kerala Value Added Tax Act, 2003” shall be inserted ;

(5) in section 57, in sub-section (1), after the words “make rules” the words “either prospectively or retrospectively” shall be inserted.

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

(1) in section 2,—

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

“(ca) “cable operator”, means a person engaged in the business of receiving and distributing satellite television signals, communication network including production and transmission of programmes and packages for a monetary consideration”;

(b) in clause (f), for the words “the rate of charges of which, of exclusive of charges for food, drink and telephone calls, is seventy five rupees per day or more”, the words “the rate of charges of accommodation for residence and other amenities and services provided excluding charges of food and liquor is one hundred and fifty rupees per day or more”, shall be substituted ;

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

“(fa) “Luxury provided by a cable operator” means any service by means of transmission of television signals by wire, where subscriber’s television set is linked by metallic co-axial cable or optic fibre cable to a central system called the ‘headend’ and by using a video cassette or disc or both, recorder or player or similar such apparatus on which pre-recorded video cassettes or disc or both are played or replayed and the films or moving pictures or series of pictures which are viewed and heard on Television receiving set at a residential or a non-residential place of a connection holder;”;

(2) in section 4,—

(a) in sub-section (1), for the words “exhibitions and in respect of a commodity included in the Schedule” the words “exhibition and cable operators” shall be substituted;

(b) for sub-section (2) and (2A), the following sub-sections shall be substituted, namely :—

“(2) Luxury tax shall be levied and collected,—

(a) in respect of a hotel, for charges of accommodation for residence and other amenities and services provided in the hotel, excluding food and liquor,—

(i) at the rate of ten per cent for hotels, in respect of rooms where the gross charges of accommodation for residence and other amenities and services provided is less than rupees five hundred per day ;

(ii) at the rate of fifteen per cent for hotels in respect of rooms where the gross charges of accommodation for residence and other amenities and services provided is rupees five hundred or more per day ;

(b) in respect of a house boat, for charges of accommodation for residence and other amenities and services provided, excluding food and liquor, at the rate fifteen per cent ;

(c) in respect of a convention centre, hall, Kalyanamandapam, auditorium including those attached to hotels, clubs or places of the like nature, for the charges for accommodation, amenities and services provided excluding food and beverage at the rate fifteen per cent ;

(d) in respect of a cable TV operator at the rate of rupees five per connection permonth,

and shall be collectable from the person enjoying the luxury :

Provided that no luxury tax shall be payable in respect of a connection provided by a cable operator engaged in the distribution of programmes of Doordharshan channels only :

Provided further that luxury tax, if any, collected shall be paid over to the Government :

Provided also that no luxury tax shall be payable, if such charges per day is below three thousand rupees in respect of halls, Kalyanamandapam, auditorium other than those attached to star hotels :

Provided also that a proprietor of a hotel who had claimed exemption under sub-clause (1) of clause 4 of the Kerala Finance Bill, 2006 (Bill No. 355 of the XI Kerala Legislative Assembly) from the 1st day of April 2006 being the charges of accommodation below rupees two hundred per room per day, shall be permitted to avail such exemption till 30th June, 2006.

(2A) Notwithstanding anything contained in sub-section (2), there shall be levied a luxury tax at the rate of rupees one hundred per year per member and the same shall be collected by the person responsible for the management of the club, by whatever name called.

*Explanation :* For the purpose of this section, ‘club’ means a club which provides more than two facilities like card room, bar, billiard rooms, snooker room, tennis court, swimming pool, Sauna Jacuzzi and the like, gymnasium, golf course, internet facility, video, video compact disk, digital video disk and computer games and having a membership strength of at least twenty five” ;

(c) sub-section (2B) shall be omitted;

(3) section 4A shall be omitted;

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

“4D. *Registration of cable operators.*—Every cable operator shall get himself registered with such authority and in such manner, as may be prescribed and the application for registration shall be accompanied by a registration fee of Rupees one thousand. The registration shall be for a period of one year and shall be renewed annually.”;

(5) in section 5A,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Notwithstanding anything contained in section 4 or section 5 any proprietor of a house boat may apply to the assessing authority for permission to compound the tax at the following rates per annum, namely:—

(i) non air-conditioned house-boat with one bed room	Ten thousand rupees
(ii) non air-conditioned house boat with two bed rooms or more	Fifteen thousand rupees
(iii) air-conditioned house boat with one bed room	Seventeen thousand and five hundred rupees
(iv) air-conditioned house-boat with two bed rooms or more	Twenty five thousand rupees”;

(b) in sub-section (7), for the words “any addition to the hotels”, the words “any addition to the house-boats” shall be substituted;

(c) in sub-section (8), for the words “addition to the hotels” the words “addition to the house-boats” shall be substituted;

(6) in section 6, sub-section (4), the following proviso shall be inserted, namely:—

“Provided that all assessments relating to the years, upto and including the year 2001-2002, pending as on 31st day of March, 2006, shall be completed on or before the 31st day of March, 2007.”;

(7) in section 20, in sub-section (1), after the words “make rules”, the words “either prospectively or retrospectively” shall be inserted.

4. *Amendment of Act 15 of 1994.*— In the Kerala Tax on Entry of Goods into Local Areas Act, 1994 (15 of 1994),—

(1) after section 11, the following section shall be inserted, namely:—

“11A. *Refund of tax in the case of temporary use.*— Where tax has been paid by any importer on the entry of any goods into the State for temporary use, the tax so paid shall be refunded to him, with permission of the Commissioner of Commercial Taxes, if the goods so imported are sent back from the State within a period of one month subject to such conditions as may be prescribed.”;

(2) in the Schedule,—

(a) for serial number 9 and entries against it, the following serial number and entry shall be substituted, namely:—

“9. iron and steel falling under item (iv) of section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) and taxable under the Kerala Value Added Tax Act, 2003 (30 of 2004).”;

(b) After Serial No.69 and the entries against it, the following serial numbers and entries shall, respectively, be added, namely:—

“70. Copra and Coconut Oil

71. Plastic and PVC Pipes and fittings

72. Arecanut

73. Pepper

74. Aerated Drinks

(a) Mineral Water

(b) Packaged Drinking Water

(c) Branded Soft drinks excluding soda

75. Granite Tiles

76. Dish Washer

77. Health Drinks

Boost, Bournvita, Complian, Horlicks and similar other items.

78. Micro oven and other Ovens Cookers, Cooking plates, Boiling rings, grillers and roaster

79. Vacuum Cleaners”.



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

(1) in section 2,—

(a) in clause (x), for the words “the value of which exceeds such limit as may be prescribed”, the words “and delivery vehicles” shall be substituted ;

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

“(xxx) “notified goods” means coffee, rubber, cardamom, pepper, arecanut, other than tender arecanut, cashewnut, iron and steel, cement, timber, plywood, glass, tread rubber and any other goods notified by the Government from time to time.”;

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

“(liiA) “used Motor vehicle” means a motor vehicle purchased and registered under the provisions of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) and used for a minimum period of fifteen months subsequent to the registration;”;

(2) in section 6,—

(a) in sub-section (1),—

(i) in clause (a) following shall be added at the end, namely:— “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	<b>Aerated drinks</b>	
	(1) Mineral Water	2201.10.10
	(2) Packaged drinking water	****
	(3) Branded soft drinks, excluding soda	2202.10
2	<b>Air conditioners</b>	8415
3	<b>Building Materials</b>	
	(a) Ceramic Floor and wall tiles including vitrified tiles whether polished or not	6907 and 6908
	(b) Marbles and Granite slabs and tiles	
	(c) (i) Paint, other than cement paints, enamel, polishes, students water colour and artist paints	
	(ii) Lacquers	

(1)	(2)	(3)
	(d) Sanitary Equipments	
	wash basins, pedestals, baths, water closet pans, flushing cisterns, urinals and similar sanitary fixtures only of ceramics, china ware or porcelain ware	6910
4	<b>Dishwashers</b>	8422
5	<b>Health Drinks</b>	
	Boost, Bournvita, Complan, Horlicks and similar other items	1901 and 1806.90.40
6	<b>Microwave ovens and other ovens</b>	
	(1) Microwave ovens	8516.50.00
	(2) Other ovens—cookers, cooking plates, boiling rings, grillers and roaster	8516.60.00
7	<b>Refrigerators</b>	8418
8	<b>Vacuum cleaners</b>	8509.10.00
9	<b>Washing Machines</b>	8450”;

(ii) for clause (f), the following clause shall be substituted, namely:—

“(f) In the case of transfer of goods involved in execution of works contract, where the transfer is not in the form of goods, but in some other form, at the rate of 12.5 per cent and when the transfer is in the form of goods at the rates prescribed under the respective Schedules.”;

(iii) In the fourth proviso, after the words “Sarva Siksha Abhiyan Funds” the following words shall be inserted, namely:—

“or funds of Local Authorities or Command Area Development Authority or execution of work under Jananidhi Project (KRWSA) or OFD works through Beneficiary Farmers’ Associations or Karshaka Samithy.

(iv) after the fourth proviso the following proviso shall be added, namely:—

“Provided also that where the sale is to or by Military, Naval, Air Force or NCC Canteen and Canteen Stores Department, 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.”;

(b) in sub-section (2), after clause (b), the following clause shall be inserted, namely:—

“(c) every awarder, not being a Government department or Local Authority, who purchases taxable goods from any person, other than a registered dealer, within the State for execution of works contract and issues the same for incorporation in the work, without including its value in the gross contract amount, shall pay tax on the purchase turnover of such goods at the rates specified under sub-section (1), if the cost of the work exceeds one crore rupees.”;

(c) in sub-section (5), after the third proviso, the following proviso shall be inserted, namely:—

“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.”;

(d) in sub-section (7),—

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

“(b) sale of any building materials, industrial inputs, plant and machinery including components, spares, tools and consumables in relation thereto to any developer or industrial unit or establishments situated in any Special Economic Zone in the State for setting up the unit or use in the manufacture of other goods shall, subject to such conditions or restrictions, as may be prescribed, be exempted from tax.”;

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

“(c) sale of medicines and drugs falling under the Third Schedule, in respect of which tax had been paid under the Kerala General Sales Tax Act, 1963 (15 of 1963) and which are held as opening stock on the 1st day of April, 2005 shall, subject to conditions and restrictions, as may be prescribed, be exempted from tax.”;

(3) in section 8,—

(a) after sub-clause (i) of clause (a) the following provisos shall be inserted, namely:—

“Provided that any works contractor who undertakes works of the Government Departments or Local Authorities or Kerala Water Authority shall not be liable to tax under sub-section (2) of section 6, if he pays compounded tax at the rate of three per cent on the whole contract amount:

Provided further that notwithstanding anything contained elsewhere in this Act, a works contractor who intends to pay tax at compounded rate in accordance with clause (a) in respect of all the works undertaken by him during a year, may instead of filing separate application for, compounding for individual works may, file a single option for payment of tax under the said clause before 30th April of the year to which the option relates subject to eligibility:

Provided also that the application for compounding in accordance with the above proviso for the year 2006-07 shall be filed before 30th day of November, 2006:

Provided also that in the case of any work covered under the above provisos which remains unexecuted or part of which remains to be executed at the end of the year, the contractor shall continue to pay tax in respect of such works in accordance with the provisions of clause (a) of this section.”;

(b) in clause (c),—

(i) in sub-clause (i) after the words “food and beverages prepared by him”, at the end, the words “and also on the turnover of other goods in respect of which he is not the dealer effecting first taxable sale, as defined in the explanation under sub-section (5) of section 6” shall be added;

(ii) in sub-clause (ii), the following words shall be added at the end, namely:—

“or one hundred and fifteen per cent of the tax paid or payable under the Kerala General Sales Tax Act, 1963 (15 of 1963) or under this Act in respect of the highest turnover for the previous consecutive three years, immediately preceding the year to which the option relates, whichever is higher.”;

(c) in clause (e),—

(i) in the Explanation, after the words “ultimate consumer” the words “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” shall be added.

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

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

(d) after clause (e) the following clause shall be inserted, namely:—

“(f)(i) any dealers in ornaments or wares or articles of gold, silver or platinum group metals may at his option, instead of paying tax in respect of such goods in accordance with the provisions of section 6,

pay tax at 200 per cent of the highest tax payable by him as conceded in the return or accounts, either under this Act or under the Kerala General Sales Tax Act, 1963 (15 of 1963), for a period of twelve months during any of the three consecutive years preceding that to which such option relates.

(ii) A dealer who is not eligible for option under sub-clause (i) may at his option, instead of paying tax in accordance with the provisions of section 6, pay tax at four hundred per cent of the tax payable by him as conceded in the return or accounts, or tax paid by him under this Act, whichever is higher, for the previous year.

*Explanation I :* Where during any such preceding year the dealer had not transacted business for any period in that financial year, the tax payable for the twelve months shall be calculated proportionately on the basis of the tax payable for the period during which such dealer had transacted business.

*Explanation II :* A branch shall be treated as an independent place of business for the purpose of calculating the tax under this section.

(iii) Where a dealer who has opted to pay tax under clause (i) or (ii), had opened any new branch subsequent to 31st day of March, 2005, then the additional compounded tax payable with respect to any such branch shall be the average of the tax paid or payable by him in respect his principal place of business and all branches, as if such new branch had not been opened :

Provided no additional tax is payable by a dealer covered by clause (ii) for the new branches opened during the year 2005-06.

(iv) Notwithstanding anything contained elsewhere where a dealer commences business during the period from 1st day of April, 2006 to 30th day of September, 2006 may at his option, instead of paying tax in respect of such goods in accordance with the provisions of section 6, pay tax at compounded rate per month from the commencement of the business at one hundred and fifty per cent of the average monthly tax paid or payable from the commencement of business to 30th day of September, 2006 under this Act :

Provided further that where a dealer had paid tax under clause (f) and opts for payment of tax under the clause for the succeeding year, the compounded tax payable for the succeeding year to which such option relates shall be at one hundred and fifteen per cent of the tax paid under this clause or tax payable as per returns or accounts whichever is higher for the preceding year :

Provided also that a dealer who opts for payment of tax under this clause may collect tax on the sales at the rate not exceeding the rate prescribed for the commodity under the Act, but where the tax so collected during the year is in excess of the compounded tax payable for the year under this clause, the tax collected in excess of the compounded tax shall be paid over to Government in addition to the compounded tax.”.

(4) in section 10, in sub-section (2), after the second proviso, the following proviso shall be inserted, namely:—

“Provided also that the awarder shall not insist from the contractor, not being a dealer registered under the provisions of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) any certificate issued by the assessing authority showing the tax liability or tax remittances, as the case may be, of the contractor, in relation to the contract, if he has opted for payment of tax in accordance with the proviso to sub-clause (i) of clause (a) of section 8.”;

(5) in section 11,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) Subject to the other provisions of this section, any registered dealer, liable to tax under sub-section (1) of section 6, shall be eligible for input tax credit.”;

(b) in sub-section (2),—

(i) after the words “capital goods purchased by a dealer”, the words “the value of which exceeds such limit as may be prescribed”, shall be inserted.;

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

“Provided that input tax credit on capital goods for industrial units including those which have undertaken expansion, diversification or modernisation shall be allowed over a period twelve months from the date of commencement of commercial production or from the date from which the capital goods are put to use, whichever is earlier from 1st day of April, 2006.”.

(c) in sub-section (3), after the second proviso the following provisos shall be added, namely:—

“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 the rate specified under sub-section (1) of section 8 of the Central Sale Tax Act, 1956 (Central Act 74 of 1956), 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.”;

(d) to sub-section (4), the following provisos shall be inserted, namely:—

“Provided that where a dealer has opted to pay tax under section 8 in respect of certain transactions and is liable to pay tax under sub-section (1) of section 6 in respect of others, he shall be eligible for input tax credit only on the purchases of taxable goods made in relation to the sales in respect of which he pays tax under sub-section (1) of section 6:

Provided further that notwithstanding anything contained elsewhere in the Act, manufacturers of medicine who have opted for payment of compounded tax under clause (e) of section 8 shall be eligible for input tax credit, for the tax paid under this Act, under the Kerala Tax on Entry of Goods into Local Areas Act, 1994, on purchase of raw materials, packing materials and capital goods used exclusively for the manufacture of own taxable goods.”;

(e) in sub-section (5), after clause (n) the following clause shall be inserted, namely:—

“(o) of goods notified under clause (x) of section 2;”;

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

“(7) If goods in respect of which input tax credit has been availed of are subsequently used, fully or partly, for purposes in relation to which no input tax credit is allowable under the section, the input tax credit availed of in respect of such goods shall be reverse tax.”;

(g) in sub-section (13), after the existing provisos the following proviso shall be inserted, namely:—

“Provided also that no input tax credit under this sub-section shall be allowed in respect of tax paid under the Kerala General Sales Tax Act, 1963 (15 of

1963) on medicines and drugs falling under the Third Schedule to this Act and turnover of sale of such medicines and drugs shall not be included in the taxable turnover of any dealer effecting sales of such medicines and drugs, subject to such conditions and restrictions as may be prescribed.”;

(6) in section 12, in sub-section (1),—

(i) in the second proviso, the words “or used in the manufacture of taxable goods” occurring in both places shall be omitted ;

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

“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 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 the rate specified under sub-section (1) of section 8 of the Central Sale Tax Act, 1956 (Central Act 74 of 1956) :

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.”;

(7) in sub section (2) of section 13, the following Explanation shall be inserted, namely :—

“*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.”;



(8) in section 15,—

(a) in sub-section (2), after clause (x), the following clause shall be inserted, namely.—

“(xi) any hallmarking unit.”;

(b) sub-section (5) shall be omitted;

(9) after section 15, the following section shall be inserted, namely:—

“15A. *Compulsory Registration.*—Where a dealer liable to be registered under this Act has failed to inform the registering authority of his liability to be registered, the registering authority, after conducting such survey, inspection or enquiry, as may be prescribed, proceed to register such person as a dealer under this Act and thereupon all the provisions of this Act and the Rules made thereunder, shall be binding on such person however, such dealer shall not be entitled to any benefits accruing from such registration.”;

(10) after section 19, the following section shall be inserted, namely:—

“19A. *Issue of Green Card.*—Every registered dealer satisfying the criteria, as may be prescribed, may be issued a Green Card for such speeding up clearances of his consignments at the check posts and such other purposes as may be prescribed.”;

(11) in section 40, after the words “get himself registered under this Act”, the words “every awarder, other than Government Departments and Local Authorities, where the cost of the work exceeds one crore rupees” shall be inserted;

(12) after section 40, the following section shall be inserted, namely:—

“40A. *Issuance of sale bill by dealers.*—Every dealer registered or liable to get himself registered under this Act shall compulsorily issue a bill or an invoice or cash memorandum in respect of every sale of goods liable to tax under this Act involving transaction amounting to not less than one hundred rupees.”;

(13) in section 46,—

(a) for clause (b) of sub-section (3), the following clause shall be substituted, namely :—

“(b) When notified goods, exceeding such quantity or value, as may be prescribed, is transported into or out of the State, the consignments shall be accompanied by delivery note in Form 15. In the case of movements within the

State, the consignments shall be accompanied by delivery notes when it is dealer to dealer transaction and sale bill in case the transport is between a dealer to the consumer.”;

(b) after clause (b) of sub-section (3), as so substituted, the following clauses shall be inserted, namely:—

“(c) A report issued by the scanning agency and weighing agency, where such an agency is available.

*Explanation* : For the purpose of this clause, scanning and weighing agency means the person in charge of the scanner and weigh bridge installed in such check post, whether controlled by Government or any other agency approved by the Government.

(d) a declaration in such form, as may be prescribed, when the vehicle or vessels enters or leaves the State limits.” ;

(c) after sub-section (4), the following sub-sections shall be inserted, namely :—

“(5) All transport of consignments of goods, exceeding such quantity as provided in sub-section (3), by road into or out of the State shall be made only through notified check post.

(6) All vehicles carrying goods, other than those specifically notified by the Commissioner shall be subjected to scanning and weighing by the scanning and weighing agency at such check post, where such facilities are available whether controlled by the Government, or any other agency approved by the Government, and the driver or the person in charge of the vehicle shall be liable to pay the weighing and scanning charges at rates notified by the Commissioner.”;

(14) in section 47,—

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

“(2) Notwithstanding anything contained in section 3 of this Act, or in The Kerala Panchayat Raj Act, 1994 (13 of 1994), where there is reason to believe that a goods-laden vehicle has by-passed the check post and entered in the State, it shall be lawful for an elected member or an officer authorized by resolution by a Grama Panchayat touching the border of the State, through which the vehicle is passing, to stop the vehicle for ascertaining whether the vehicle has passed through a check post, and on so doing, the driver or the person in charge of the vehicle shall stop the vehicle, and if it is found that the vehicle has not passed through a check post, they shall inform the commercial tax authorities having jurisdiction over the area to pursue further action under this Act and no suit, prosecution or other proceeding shall lie against any such person for anything done or purporting to be done in good faith under this sub-section.”;

(b) after sub-section (16), the following sub-section shall be inserted, namely :—

“(16A) Notwithstanding anything contained in this Act or the rules made there under, the Commissioner may where he deems it necessary to prevent any evasion of tax, direct that the tax in respect of the sale of any evasion prone commodities, as may specified by him, shall be paid before the date prescribed for its payment under this Act.”;

(15) in section 55, in sub-section (1), the words, figures and brackets “sub-section (3) of section 25, sub-section (8) or sub-section (9) of section 44, section 49, section 67, section 68, section 69 or section 70” shall be omitted;

(16) in section 58, in sub-section (1) after the words “the Deputy Commissioner (Appeals)” the words “not being the orders passed by him against any order issued or proceedings recorded under sub-section (3) of section 25, sub-section (8) or sub-section (9) of section 44, section 49, section 67, section 68, section 69 or section 70 ”, shall be inserted;

(17) in sub-section (1) of section 60 A after the existiting proviso, the following proviso shall be inserted, namely :—

“Provided further that no appeal shall lie in cases where *suo moto* revision proceedings under section 58 is pending.”;

(18) after section 70, the following section shall be inserted, namely:—

“70A. *Penalty for non-issuance of sale bill.*—(1) Any officer during the course of any inspection or search of any business place, building, godown or any other place, or checking of goods under transport or verification of the bills at any place finds that the seller has not issued a sale bill or an invoice or cash memorandum in respect of any sale, in violation of section 40 A of the Act, the dealer shall, without prejudice to any other provisions in the Act, be liable to pay by way of penalty, an amount not exceeding twice the amount of tax evaded or sought to be evaded or one thousand rupees for the first offence, whichever is higher, an amount not exceeding thrice the amount of tax evaded or sought to be evaded or two thousand rupees for the second offence, which ever is higher, and so on in arithmetic progression, for every subsequent commissions of the above offence.

(2) No penalty under sub-section (1) shall be imposed without giving the person affected a reasonable opportunity of being heard.

(3) Notwithstanding anything contained in sub-section (1), the dealer shall have an option to get the offence compounded, on the spot, on the payment of fifty per cent of penalty payable under sub-section (1).

(4) Where an offence has been compounded under sub-section (3), no further penal proceedings under sub-section (1) shall be taken against the dealer in respect of such offence.

(5) A dealer who commits the offence in sub-section (1) for more than ten occasions shall be liable to cancellation of his registration.”;

(19) in sub-section (2) of section 74, after the words “no further” the words “penal or prosecution” shall be inserted ;

(20) in section 85, after sub-section (2) the following sub-section shall be inserted, namely:—

“(3) Notwithstanding anything contained in sub-section (1), the Commissioner may display the details of tax paid and the tax defaulted by the dealers on the official website of the Department.”;

(21) in section 89,—

(a) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) When an assessing authority receives an order from any appellate or revisional authority or any officer authorised under sub-section (5) of section 47, to make a refund of tax or penalty or cash security paid by a dealer or any other person, it shall effect the refund to such dealer or such other person, as the case may be.”;

(b) in sub-section (3), after the words, figures and brackets “due to be refunded under sub-section (1) or sub-section (2)” the following words, figures, and brackets shall be inserted, namely:—

“or under the provisions of the Kerala General Sales Tax Act, 1963 (15 of 1963);”;

(22) in section 92, in sub-section (1), after the words, “make rules” the words, “either prospectively or retrospectively” shall be inserted;

(23) in section 93, in sub-section (1), the words “except where such enhancement is to implement a decision of the Empowered Committee” shall be omitted;

(24) in the SCHEDULE,—

(a) in the First Schedule,—

(i) in serial number 2,—

(a) for item (4) and the entries against it in columns (2) and (3), the following item and entries shall, respectively be substituted, namely:—

“(4) Hearing aid system

9021.40”;

(ii) in serial number 3, after item (6) the following item and entries shall be inserted, namely :—

“(7) Anappatta 1214.90.00”

(b) in item (5), in column (3), for the figures “9021.90.10” the figures “9021.40” shall be substituted.

(iii) after serial number 12, and entries against it in columns (2) and (3) the following serial number and entries shall respectively be inserted, namely:—

“ 12A Coconut 0801.19.20.”;

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

“17A. Embroidery or zari articles, that is to say, imi, zari, kasab, saima dabka, chumki, gota sitara, naqsi, kora, glass bead, badia

- |   |            |
|---|------------|
| (1) Embroidery without visible ground       | 5810.10.00 |
| (2) Other embroidery of cotton              | 5810.91.00 |
| (3) Embroidery of 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 articles                           | **** ”;    |

(v) in serial number 18, item 4 and 5 and the entries against them in columns (2) and (3) shall be omitted;

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

“24A. Handmade Soaps, Squashes and Pickles sold under the registered Kudumbashree brand \*\*\*\*\*”;

(vii) in serial number 30, after item (9) and the entries against it in column (2) and (3), the following items and entries shall, respectively, be inserted, namely:—

“(10) Dineal Solution required for continuous Ambulatory Peritoneal Dialysis treatment of kidney patients \*\*\*\*\* ”

(11) Antiretroviral Drugs (HIV Patients) \*\*\*\*\*

(12) Glevce Capsules (for treatment of Blood Cancer)\*\*\*\*\* ”;

(viii) in serial number 31, for item (10) and the entries against it in column (2) and (3) the following item and entries shall respectively, be substituted, namely:—

“(10) Fish dried and salted \*\*\*\*\* ”;

(ix) for serial number 40 and the entries against it in columns (2) and (3) the following serial numbers and entries shall respectively be substituted, namely:—

“40. Rattan, Reed, Bamboo, Bambooply and Canes and its products

(1) Bamboo	1401.10.00
(2) Bambooply	*****
(3) Canes	1401.90.10
(4) Rattan	1401.20.00
(5) Reed	1401.90.90
(6) Products including Furniture	*****

(x) after serial number 46 and entries against it columns (2) and (3) the following serial number and entries shall respectively be inserted;

“46A. Silk fabrics and sarees made of natural silk 5007.”;

(xi) for the entries against serial number 54 in column (3), for the figures “2201.90” the figures “2201.90.90” shall be substituted;

(xii) after serial number 58 in column (1), and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“59. Products of Rehabilitation Centre under the  
Institute of Mental Health and Neuro Sciences  
(I.M.H.A.N.S) Kozhikode at the point of sale  
by them \*\*\*\*\*”;

(b) in the Second Schedule, serial number 2 and the entries against it in columns (2) and (3), shall be omitted.

(c) in the Third Schedule,—

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

“1. Agricultural and Horticultural implements not operated manually or not driven by animal and parts thereof;

(1) Agricultural, horticultural or forestry machinery for soil preparations or cultivation, lawn or sports ground rollers 8432

(2) Harvesting or threshing machinery, including straw or fodder balers, grass or hay mowers, machines for cleaning, sorting, or grading eggs, fruits, or other agricultural produce 8433 ”;

(ii) in serial number 10, after sub-item (e) (v) of item (2) and the entries against it in column (2) and (3), the following sub-item and entries shall, respectively, be inserted, namely:—

“(vi) Pillow Cover \*\*\*\*\* ”;

(iii) after serial number 15 and the entries against it in columns (2) and (3) the following serial number and entries shall respectively be inserted, namely :—

“15 A. Petroleum bitumen 2713.20.00”;

(iv) in serial number 27, the entries in column (3) against item (1) shall be omitted;

(v) for serial number 30 in column (1) and the entries against it in columns (2) and (3) the following serial number and entries shall, respectively, be substituted, namely:—

“30. Cotton coated fabrics \*\*\*\*\* ”;

(vi) in serial number 36, after sub-item (h) of item (10) and the entries against it in columns (2) and (3) the following sub-item and entries shall, respectively, be inserted, namely:—

“(i) Camphor 2914.21”;

(vii) in serial number 38, after item number 20, and entries against it in columns (2) and (3), the following serial number and entries against it shall, respectively, be inserted, namely :—

“21. Palm Kernal Oil 1513.21.10”

(viii) serial number 40 and the entries against it in columns (2) and (3) shall be omitted;

(ix) in serial number 44, in item (5), in column (3), the entries shall be omitted;

(x) in serial number 45, after item (8) and the entries against it in columns (2) and (3), the following item and entries shall, respectively, be inserted, namely:—

- |      |  |            |
|------|--|------------|
| “(9) | Composition leather with the basis of leather fibre, in slabs, sheet or strip whether or not in rolls  | 4115.10.00 |
| (10) | Fabricated asbestos fibres, mixtures with a basis of asbestos or with a basis of asbestos and magnesium carbonate, articles of such mixtures or of asbestos (for example, thread, woven fabric, clothing, head gear, footwear, gaskets) whether or not reinforced, other than goods of HSN No. 6811 or 6813 ”; | 6812       |

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

- “51A. Gold, Silver and Platinum Ornaments, new and old
- |     |   |            |
|-----|---|------------|
| (1) | Silver jewellery with filigree work                             | 7113.11.10 |
| (2) | Silver jewellery studded with gems                              | 7113.11.20 |
| (3) | Other articles of silver jewellery                              | 7113.11.30 |
| (4) | Gold jewellery, unstudded                                       | 7113.19.10 |
| (5) | Gold jewellery, set with pearls                                 | 7113.19.20 |
| (6) | Gold jewellery set with diamonds                                | 7113.19.30 |
| (7) | Gold jewellery set with other precious and semi precious stones | 7113.19.40 |
| (8) | Platinum unstudded  | 7113.19.50 |
| (9) | Gold coin.”;  |            |

(xii) in serial number 69,—

(a) in the entries against item (4) in column (2) after the letter “CDs” and before the letters “CDRs”, the letters “DVDs” shall be inserted;

(b) in item (22), sub item (c) and the entries against it in columns (2) and (3) shall be omitted;



(xiii) against serial number 78, for the entries in column (2), the following entries shall be substituted, namely:—

“78. Leaf plates, cups and similar goods made out of palm leaves”;

(xiv) in serial number 79, after item (2) and the entries against it in columns (2) and (3), the following item and entries shall, respectively, be inserted, namely:—

“(3) Accessories for Peritoneal Dialysis

- |                        |      |
|------------------------|------|
| (a) Catheters          | **** |
| (b) Mini Cap           |      |
| (c) Easy-Y-Set         | **** |
| (d) Effluent Bag (Set) | **** |
| (e) Transfer Set       | **** |
| (f) Titanium Adapter   | **** |
| (g) Dialyzer           | **** |
| (h) Blood tubing       | **** |
| (i) AV Fistulers       | **** |
| (j) Needles            | **** |
| (k) Cardiac stents.”;  |      |

(xv) in serial number 81,—

(a) for the entries against sub-item (c) of item (1) in column (2), the following entries shall be substituted, namely:—

“Hydrated Lime ”;

(b) after sub item (c) of item (1) and the entries against it in columns (2) and (3) the following sub-item and entries shall, respectively, be inserted, namely:—

“(d) Lime Powder \*\*\*\* ”;

(xvi) in serial number 82, after item (7) and the entries against it in columns (2) and (3), the following item and entries shall, respectively, be inserted, namely:—

“(8) Locks (other) 8301.40.90”;

(xvii) in serial number 83,—

(a) in item (5) in column (2), for the words, “machinery for aerating machinery” the words “ machinery for aerating beverages” shall be substituted;

(b) item (60) and the entries against it in columns (2) and (3) shall be omitted;

(xviii) in serial number 84,—

(a) in the entries against item (10) in column (2), the words “dried, salted or” shall be omitted;

(b) for the entries against item (33) in column (2), the following entries shall be substituted, namely:—

“Fruits, nuts and other edible parts of plants (other than cashew nut roasted, salted or roasted and salted) otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified.”;

(xix) for serial number 87, and the entries against it in columns (2) and (3) the following serial number and entries shall be substituted, namely:—

“87. footwear of all kind whose MRP does not exceed Rs. 200 and its MRP is embossed on the sole of the footwear.”;

(xx) after serial number 87, in column (1) and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“ 87A. Musical instruments other than electronic and electric \*\*\*\* ”;

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

“92A. Nylon Rope 5607.50.40”;

(xxii) in serial number 93,—

(a) the entries against item (13) in column (3) shall be omitted;

(b) the entries against item (14) in column (3) shall be omitted;

(xxiii) in serial number 94, item (9) and the entries against it in columns (2) and (3) shall be omitted;

(xxiv) after serial number 98 and the entries against it in columns (2) and (3), the following serial number and the entries shall be inserted, namely:—

“98 A—Domestic LPG 2711.19.00”;



(c) for the entries against item (9) in column (2), the following entries shall be substituted, namely:—

“Paper cutter and paper punch ”;

(d) for the entries against item (15) in column (2), the following entries shall be substituted, namely:—

“ Staplers and stapler pins” ;

(e) after item (20) and the entries against it in columns (2) and (3) the following items and entries shall, respectively, be inserted, namely:—

“(21) Cello tape \*\*\*\*\*

(22) Typewriter cleaning brush \*\*\*\*\* ”;

(xxxii) in serial number 128,—

(a) for the word “Tea” occurring in the heading, the words “ Tea including green tea leaves and manufactured tea” shall be substituted;

(b) for the entries against item (1) in column (2), the following entries shall be substituted, namely:—

“Green tea including leaves”;

(c) for the entries against item (2) in column (2) the following shall be substituted, namely:—

“Other Green tea (not fermented) including green tea waste ”;

(d) for the entries against item (6) in columns (2) and (3), the following entries shall, respectively, be substituted, namely:—

“Black tea (fermented) and partly fermented tea, in immediate packing of a content not exceeding 3 kg. 0902.30 ” ;

(e) after item (6) and the entries against it in columns (2) and (3) the following sub-items and entries shall, respectively, be inserted, namely:—

“(7) Other black tea (fermented) and other partly fermented tea including tea bags and black tea waste 0902.40

(8) Other

\*\*\*\* ” ;

(xxxiii) after serial number 128 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“ 128 A. Telephone cards

\*\*\*\*\*” ;

(xxxiv) in serial number 131, in the entries against item (10) in column (2), after the words “Tyres used for tractors” and before the words “threshing and harvesting machinery”, the words “power tillers” shall be inserted ;

(xxxv) in serial number 139, in item (3), sub item (a) and the entries against it in columns (2) and (3) shall be omitted ;

(xxxvi) in LIST A,—

(a) for the entries against serial number 10, in columns (2) and (3), the following entries shall, respectively, be substituted, namely:—

“Ammonia anhydrous or in aqueous solution

(1) Ammonia anhydrous

2814.10.00

(2) Ammonia in aqueous solution

2814.20.00 ” ;

(b) in the entries against serial number 21, for the figures “2811.21.00” under column (3), the figures “2811.21” shall be substituted;

(c) in serial number 22, for items (2), (3) and (4) and the entries against them in column (2), the following items and entries shall, respectively, be substituted, namely:—

“(2) Di sodium carbonate dense (soda ash)

(3) Di sodium carbonate light (soda ash)

(4) Other di sodium carbonate (soda ash)”;

(d) after serial number 88 in column (1) and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“ 88 A. Mechanical wood pulp, chemical wood pulp and semi-chemical wood pulp

(1) Mechanical wood pulp

4701.00.00

- |     |   |               |
|-----|---|---------------|
| (2) | Chemical wood pulp, dissolving grades   | 4702.00.00    |
| (3) | Chemical wood pulp, soda or sulphate,<br>other than dissolving grades             | 4703          |
| (4) | Chemical wood pulp, sulphite, other than<br>dissolving grades                     | 4704          |
| (5) | Wood pulp obtained by a combination of<br>mechanical and chemical pulping process | 4705.00.00” ; |

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

“92A. Naphtha 2910.11.19”;

(f) after serial number 111, the following serial number shall be inserted, namely:—

“111A. Phenol 2907.11.01”;

(g) in serial number 134, in item (1) in column (2),—

(1) in the entries against sub item (g) in column (2), for the word “Yeast” the word “Estate” shall be substituted;

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

“ (j) Other, including raw rubber, latex, dry ribbed sheet of all RMA grades, tree lace, earth scrap, ammoniated latex, preserved latex, latex concentrate, centrifugal latex, dry crepe rubber, dry block rubber, crumb rubber, skimmed rubber and all other qualities and grade of latex. \*\*\*\* ”;

(h) after serial number 136, and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“136A. Rubber wood \*\*\*\* ”;

(i) serial number 144 and the entries against it in column (2) shall be omitted;

(j) after serial number 167 and the entries against it in columns (2) and (3), the following serial number and entries shall, respectively, be inserted, namely:—

“167 A. Veneer sheets for plywood 4408 ”;

(k) Annexure-1 occurring after serial number 175 shall be omitted;

(d) Fifth Schedule shall be omitted;

(25) In the Appendix, in the Rules of Interpretation of Schedules, the clarification in serial number 42 shall be omitted.

6. *Validation.*— (1) Notwithstanding the lapse of the Kerala Finance Bill, 2006 (Bill No. 355 of the XI Kerala Legislative Assembly) (hereinafter called the said Bill), anything done or any action taken, including levy and collection of tax, during the period from the 1st day of April, 2006 to the 30th day of June, 2006, by virtue of the declared provisions of the said Bill, under the Kerala Stamp Act, 1959 (17 of 1959) or under the Kerala Tax on Luxuries Act, 1976 (17 of 1976) or under the Kerala Tax on Entry of Goods into Local Areas Act, 1994 (15 of 1994) or under the Kerala Value Added Tax Act, 2003 (30 of 2004) (hereinafter called the respective Acts), as they stand amended by the said Bill, shall be deemed to be and to have always been, for all purposes, validly and effectively done or taken under the provisions of the respective Acts, as if the said amendments had been in force at all material times.

(2) Notwithstanding anything contained in the Kerala Value Added Tax Act, 2003 (30 of 2004), during the period from 29th day of June, 2006 to 30th day of June, 2006, during which the declared provisions contained in the Finance Bill, 2006 (Bill No. 12 of the XII Kerala Legislative Assembly) was in force, anything done or any action taken by virtue of the said provisions of the said Bill shall be deemed to have been validly done or taken under the said Act and no action shall lie against, any dealer or authority, on the ground of short levy or refund of excess tax, and tax collected by a dealer, if any, shall be paid over to the Government.