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**GOVERNMENT OF KERALA  
Taxes (B) Department**

**NOTIFICATION**

G.O.(P) No.181/2011/TD

*Dated, Thiruvananthapuram, 30<sup>th</sup> November, 2011*

S.R.O. No.753/2011.-- In exercise of the powers conferred by sub-section (5) of section 8 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956) and in supersession of the notification issued under G.O.(P) No.159/2008/TD dated 31<sup>st</sup> July, 2008 and published as S.R.O. No.804/2008 in the Kerala Gazette Extraordinary No.1651 dated 31<sup>st</sup> July, 2008, the Government of Kerala, having satisfied that it is necessary in the public interest so to do, hereby direct that, on the fulfillment of the requirements laid down in sub-section (4) of the said Act, no tax shall be payable under sub-section (1) of the said Act on the inter-state sales of natural rubber falling sub- entry(1) and tread rubber with the HSN code 4006.10.00 falling under sub entry(6) of serial number 134 of List A to the Third Schedule to the Kerala Value Added Tax Act, 2003 (30 of 2004) subject to the condition that the such natural rubber, or the natural rubber used in the processing, conversion or manufacture of other types of natural rubber and tread rubber mentioned above have suffered tax under the Kerala Value Added Tax Act, 2003 (30 of 2004), and that the exemption under this notification shall not be available to all types of rubber latex including centrifuged latex mentioned in sub-entry (1) of serial number 134 of List A of the Third Schedule to the Kerala Value Added Tax Act, 2003 (30 of 2004).

By order of the Governor,

A. AJITH KUMAR,  
*Secretary to Government*

**Explanatory note**

(This does not form part of the notification, but is intended to indicate its general purport).

As per notification issued in G.O. (P) No.159/2008/TD dated 31<sup>st</sup> July, 2008 and published as S.R.O.No.804/2008 dated 31<sup>st</sup> July, 2008, inter-state sale of natural rubber coming under entry 134 of List A of the Third Schedule of the KVAT Act and tread rubber (HSN 4006.10.00) had been exempted from tax payable under sub-section (1) or sub-section (2) of section 8 of the Central Sales Tax Act subject to the condition that natural rubber has suffered tax under the Kerala Value Added Tax Act, 2003. Sub-section (5) of section 8 of the Central Sales Tax Act authorizes the State Governments to grant exemption or reduction in rate of tax under the said Act only in respect of sales to a Registered dealer outside the State subject to the satisfaction of the requirements of sub-section (4) of section 8, namely, furnishing of declaration in Form C. By Central Act 16 of 2007, the Central Government have amended sub-section (5) of section 8 of the Central Sales Tax Act, 1956 and took away the power of exemption that may be granted by the State Government in respect of tax payable under sub-section (2) of that section. Hence, such exemption granted by notification published as S.R.O. No.804/2008 becomes *Ultra vires* to the said provision as amended. Hence that has to be rectified. Further, Government intends to exclude all types of rubber latex including the centrifuged latex, which were covered by the notification published as S.R.O.No.804/2008, from the purview of the exemption.

This notification is intended to achieve the above object.