

## **Karnataka Value Added Tax (Amendment) Act, 2006**

**[31 March 2006]**

### CONTENTS

1. Short Title And Commencement
2. Amendment Of Section 2
3. Amendment Of Section 4
4. Amendment Of Section 5
5. Amendment Of Section 9-A
6. Amendment Of Section 11
7. Amendment Of Section 12
8. Amendment Of Section 14
9. Amendment Of Section 15
10. Amendment Of Section 18
11. Amendment Of Section 20
12. Amendment Of Section 21
13. Amendment Of Section 22
14. Amendment Of Section 27
15. Amendment Of Section 29
16. Amendment Of Section 30
17. Amendment Of Section 31
18. Amendment Of Section 38
19. Amendment Of Section 39
20. Amendment Of Section 42
21. Amendment Of Section 47
22. Amendment Of Section 49
23. Amendment Of Section 51
24. Amendment Of Section 53
25. Amendment Of Section 55
26. Amendment Of Section 56
27. Amendment Of Section 59
28. Amendment Of Section 60
29. Amendment Of Section 63
30. Insertion Of New Section 63-A
31. Amendment Of Section 71
32. Amendment Of Section 72
33. Amendment Of Section 76
34. Amendment Of Section 77
35. Amendment Of Section 89
36. Amendment Of First Schedule
37. Amendment Of Third Schedule
38. Insertion Of Sixth Schedule

# **Karnataka Value Added Tax (Amendment) Act, 2006**

**[31 March 2006]**

An Act further to amend the Karnataka Value Added Tax Act, 2003. Whereas it is expedient further to amend the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) for the purposes hereinafter appearing; Be it enacted by the Karnataka State Legislature in the fifty-seventh year of the Republic of India, as follows.- Statement of Object It is considered necessary to amend the Karnataka Value Added Tax Act, 2003 to give effect to the proposal made in the Budget and matters connected therewith. Certain consequential and incidental amendments are also made. Hence the Bill. [L.A. Bill No. 7 of 2006]

## **1. Short Title And Commencement :-**

(1) This Act may be called the Karnataka Value Added Tax (Amendment) Act, 2006. 1

(2) It shall come into force with effect from the first day of April, 2006.

Footnotes:

1. First published in the Karnataka Gazette Extraordinary on the Thirty first Day of March, 2006.

## **2. Amendment Of Section 2 :-**

In the Karnataka Value Added Tax Act, 2003 (Karnataka Act 32 of 2004) (hereinafter referred to as the principal Act), in section 2,-

(1) clause (5-A) shall be renumbered as clause (5-B) and before clause (5-B) as so renumbered, the following clause shall be inserted, namely:-

"(5-A) Body corporate means a corporation, a company as defined under the Companies Act, 1956 (Central Act 1 of 1956) and a company incorporated outside India but does not include.-

(a) a corporation sole;

(b) a co-operative society registered under any law relating to co-operative societies; and

(c) any other body corporate, not being a company as defined in the Companies Act, 1956, which the State Government may, by notification in the Official Gazette, specify in this behalf.";

(2) for clause (7), the following clause shall be substituted, namely:-

" (7) "Capital goods" for the purposes of section 12 means plant,

including cold storage and similar plant, machinery, goods vehicles, equipments, moulds, tools and jigs, and used in the course of business other than for sale;"

(3) in clause (28), after the words "any return", the words "including a revised return" shall be inserted.

### **3. Amendment Of Section 4 :-**

In section 4 of the principal Act,-

(1) in sub-section (1), after clause (b), the following shall be inserted, namely:-

"(c) in respect of transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract specified in column (2) of the Sixth Schedule, subject to sections 14 and 15 of the Central Sales Tax Act, 1956(Central Act 74 of 1956), at the rates specified in the corresponding entries in column (3) of the said Schedule.";

(2) in sub-section (3), after the words "any goods", the words "subject to such restrictions and conditions as may be specified in the notification" shall be and shall always be deemed to have been inserted.

### **4. Amendment Of Section 5 :-**

In section 5 of the principal Act, in sub-section (1), after the words "this Act", the words "subject to such restrictions and conditions as may be specified in the notification" shall be and shall always be deemed to have been inserted.

### **5. Amendment Of Section 9-A :-**

In section 9-A of the principal Act,-

(1) for sub-section (4), the following shall be substituted, namely:-

"(4)(a) Where it is found that the tax payable as calculated by any dealer is less than the tax payable for the works contract executed by him by more than fifteen percent, the officer empowered by the Commissioner shall so inform the authority responsible for deduction of tax under sub-section (1).

(b) On such information, the authority responsible for deduction of tax or the dealer shall make an application to such officer for issue of a certificate, and the officer so empowered by the Commissioner shall issue the certificate within ten days from the date of receipt of the application, failing which the authority responsible for deduction

of tax shall make deduction as calculated by the dealer till the issue of the certificate.

(c) After issue of certificate, such deduction shall be made out of any amounts payable subsequently to such dealer based on the certificate issued by such officer.";

(2) in sub-section (10), the words "in respect of such works contract" shall be omitted.

#### **6. Amendment Of Section 11 :-**

In section 11 of the principal Act, in sub-section (a), for clauses (2), (3), (4) and (5), the following shall be substituted, namely:-

"(2) tax paid on goods as specified in the Fifth Schedule subject to such conditions as may be specified, purchased and put to use for purposes other than for,

(i) resale, or

(ii) manufacture or any other process of other goods for sale;

(3) tax paid on purchase of goods as may be notified by the Government or Commissioner subject to such conditions as may be specified;

(4) tax paid on purchase of capital goods other than those falling under clause (2) or (3) except as provided in section 12;

(5) tax paid on purchase of goods, that are despatched outside the State or used as inputs in the manufacture, processing or packing of other taxable goods despatched to a place outside the State, other than as a direct result of sale or purchase in the course of inter-State trade or commerce except as provided in section 14.".

#### **7. Amendment Of Section 12 :-**

In section 12 of the principal Act, in sub-section (2), the words and comma "and shall be apportioned over a specified period, as may be prescribed" shall be omitted.

#### **8. Amendment Of Section 14 :-**

For section 14 of the principal Act, the following shall be substituted, namely:-

"14. Special rebating scheme:- Deduction of input tax shall be allowed on purchase of goods, specified in clauses (5) and (6) of sub-section (a) of Section 11, to the extent of the input tax charged at a rate higher than four per cent or any lower rate as may be notified by the Government.".

## **9. Amendment Of Section 15 :-**

In section 15 of the principal Act,-

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

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

"(a) whose total turnover in a period of four consecutive quarters does not exceed an amount as may be notified by the State Government which shall not exceed fifty lakh rupees, and who is not a dealer falling under clause (b) or (c) or (d) below;"

(b) in clause (c), after the words "ice cream parlour", the words " or bakery or any other class of dealers as may be notified by the Government" shall be inserted;

(c) in clause (d), for the words "granite metals", the words "granite or any other metals" shall be substituted;

(2) after sub-section (4), the following shall be inserted, namely:-

"(5) Notwithstanding anything contained in sub-sections (1) and (4),-

(a) a dealer executing works contracts and who purchases or obtains goods from outside the State or from outside the territory of India shall be eligible to opt for composition under sub-section (1), and if the property in such goods (whether as goods or in some other form) is transferred in any works contract executed by him, the dealer shall be liable to pay tax on the value of such goods at the rate specified in section 4, and such value shall be deducted from the total consideration of the works contracts executed on which an amount as notified is payable under sub-section (1) by way of composition in lieu of the tax payable under the Act;

(b) in the case of a dealer executing works contracts and opting for composition of tax under sub-section (1), no tax by way of composition shall be payable on the amounts paid to a sub-contractor as consideration for execution of works contract whether wholly or partly and such amounts shall be deducted from the total consideration of the works contracts executed on which an amount as notified is payable under sub-section (1) by way of composition in lieu of the tax payable under the Act subject to production of proof that such sub-contractor is a registered dealer liable to tax under the Act and that such amounts are included in the return filed by such sub-contractor;

(c) in the case of a dealer executing works contracts, after opting for composition of tax under sub-section (1), effects sale of any goods liable to tax under the Act other than by transfer of the property in such goods (whether as goods or in some other form) in

any works contract executed by him, the dealer shall be liable to pay tax on the value of such goods at the rate specified in section 4, without any deduction for input tax on purchase of such goods made by him;

(d) in the case of a dealer opting for composition of tax under clause (a) or (c) of sub-section (1), the turnover on which tax is leviable under sub-section (2) of section 3 shall be deducted from the total turnover on which an amount as notified is payable under sub-section (1) by way of composition in lieu of the tax payable under the Act. "

## **10. Amendment Of Section 18 :-**

For section 18 of the principal Act, the following shall be substituted, namely:-

"18. Deduction of tax at source in the case of canteens:- (1) Notwithstanding anything contained in this Act, a factory or other industrial concern or any other establishment, in which a canteen or cafeteria or restaurant or other similar facility is run, through a dealer, as an amenity provided for the employees of such factories or concerns or establishments, shall deduct out of any amounts payable by them to such dealer as their contribution by whatever name called, in respect of sale of articles of food and drinks to their employees, an amount at the rate of four percent of the aggregate of the sale prices received or receivable by such dealer from the employees and contribution paid or payable by such factories or concerns or establishments to such dealer.

(2) No deduction shall be made under sub-section (1) if the aggregate of the sale prices received or receivable by and contribution paid or payable to such dealer in respect of sale of articles of food and drinks to the employees is less than two lakh rupees in a year.

(3) The factory or other industrial concern or other establishment making deduction under sub-section (1), shall send every month to the prescribed authority a statement in the prescribed form containing particulars of tax deducted during the preceding month and pay full amount of the tax so deducted by it within twenty days after the close of the preceding month in which such deduction was made and the amount so payable shall be deemed to be the tax due under this Act for the purposes of section 42.

(4) If default is committed in the payment of tax deducted beyond ten days after the expiry of the period specified under sub-section

(3), the factory or concern or establishment making deduction under sub-section (1) shall pay, by way of interest, a sum equal to the interest specified under sub-section (1) of section 37 during the period in which such default is continued.

(5) The factory or concern or establishment making deduction under sub-section (1) shall furnish to the dealer from whom such deduction is made, a certificate obtained from the prescribed authority containing such particulars as may be prescribed.

(6) Payment by way of deduction in accordance with sub-section (3), shall be without prejudice to any other mode of recovery of tax due under this Act from such dealer referred to in sub-section (1).

(7) Where tax in respect of the dealer referred to in sub-section (1) is remitted under sub-section (3), the tax payable by the dealer for any period, shall be reduced by the amount of tax already remitted under the said sub-section.

(8) The burden of proving that the tax on his turnover relating to sale of articles of food and drinks has already been remitted and of establishing the exact quantum of tax so remitted shall be on the dealer claiming the reduction."

#### **11. Amendment Of Section 20 :-**

In section 20 of the principal Act, in sub-section (1), in clause (b), for the words and comma "trade or commerce, or", the words and comma "trade or commerce," shall be and shall always be deemed to have been substituted.

#### **12. Amendment Of Section 21 :-**

In section 21 of the principal Act, the words "located in the State", shall be omitted.

#### **13. Amendment Of Section 22 :-**

In section 22 of the principal Act, in sub-section (9), for the words "after his first sale", the words "before the commencement of his business" shall be substituted.

#### **14. Amendment Of Section 27 :-**

In section 27 of the principal Act, in sub-section (1), in clause (c), for the words "twenty four consecutive months", the words "twelve consecutive months" shall be substituted.

### **15. Amendment Of Section 29 :-**

In section 29 of the principal Act, in sub-section (3), after the words "prescribed value", the words "or a dealer permitted to pay tax under section 16" shall be inserted.

### **16. Amendment Of Section 30 :-**

In section 30 of the principal Act,-

(1) in sub-section (1), after the words "sale effected", the words "or is not payable on account of goods sold being returned within the prescribed period" shall be inserted;

(2) for sub-section (3), the following shall be substituted, namely:-

"(3) Any registered dealer who receives or issues, credit notes or debit notes shall declare them in his return to be furnished for the tax period in which the credit note is received or debit note is issued and claim reduction in tax or pay tax due thereon";

(3) after sub-section (3) so substituted, the following sub-section shall be inserted, namely:-

"(4) Any document issued by the registered dealer as required under any other law containing particulars of credit note or debit note as prescribed shall be deemed to be a credit or debit note for the purpose of this section."

### **17. Amendment Of Section 31 :-**

In section 31 of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely,-

"(5) Every registered dealer shall furnish every year to the prescribed authority, a statement relating to his turnover in such form, containing such particulars and within such period as may be prescribed."

### **18. Amendment Of Section 38 :-**

In section 38 of the principal Act,-

(1) for sub-section (1), the following shall be and shall always be deemed to have been substituted, namely:-

"(1) Every dealer shall be deemed to have been assessed to tax based on the return filed by him under section 35, except in cases where the Commissioner may notify the dealer of any requirement of production of accounts before the prescribed authority in support of a return filed for any period and such authority shall proceed to



assess such dealer,-

(a) on the basis of the return filed where he is satisfied that the return filed is correct and complete, or

(b) to the best of its judgment, where the return filed appears to be incorrect or incomplete, after giving the dealer an opportunity of showing cause against such assessment in writing and any additional tax assessed shall be paid within ten days from the date of service of such assessment on the dealer.";

(2) in sub-section (2), for the words "issue of the assessment", the words "service of such assessment on the dealer" shall be substituted;

(3) in sub-section (4), for the words "issue of such assessment", the words "service of such assessment on the dealer" shall be substituted;

(4) in sub-section (5), after the words "so assessed", the words "or imposed or payable" shall be inserted.

#### **19. Amendment Of Section 39 :-**

In section 39 of the principal Act, in sub-section (1), in clause (a), for the words "together with any penalty and interest", the words, brackets and figures "and also impose any penalty under sub-section (2) of section 72 and demand payment of any interest" shall be substituted.

#### **20. Amendment Of Section 42 :-**

In section 42 of the principal Act,-

(1) in the heading, for the words "other amounts", the words and comma "other amounts, issuance of clearance certificates" shall be substituted;

(2) in sub-section (3), for clause (a), the following shall be and shall always be deemed to have been substituted, namely:-

"(a) Notwithstanding anything contained in this Act, the Government may, in such circumstances and subject to such conditions as may be prescribed, by notification, defer payment by any new industrial unit of the whole or any part of the tax payable in respect of any period and also permit payment of such tax before the expiry of any deferred period, subject to the condition that in respect of such industrial unit the Government has already notified deferred payment of tax under the provisions of the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957).";

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

"(12) Where for the purpose of complying with the requirement of any law for the production of a clearance certificate with respect to payment of tax or any other amount under this Act, a registered dealer makes an application to the prescribed authority, the prescribed authority shall, if no amount of assessed tax or no other amount under this Act is due by such dealer or no amount of tax payable in accordance with the provisions of sub-section (1) of section 35 is outstanding from such dealer, issue a clearance certificate in the prescribed form."

#### **21. Amendment Of Section 47 :-**

In section 47 of the principal Act, in sub-section (4), for the words "of forfeiture", the words "of forfeiture, but excluding by a person who is a dealer who has claimed deduction of input tax on the tax realized from him" shall be and shall always be deemed to have been substituted.

#### **22. Amendment Of Section 49 :-**

In section 49 of the principal Act, in sub-section (2),-

(1) for the brackets and figure "(3)", the brackets and figure "(9)" shall be and shall always be deemed to have been substituted;

(2) after the words "are initiated", the words "or the dealer who has collected any amount by way of tax or purporting to be by way of tax" shall be inserted.

#### **23. Amendment Of Section 51 :-**

In section 51 of the principal Act, for sub-section (1), the following shall be substituted, namely:-

"(1) Where an order giving rise to refund is the subject-matter of an appeal or further proceeding or where any other proceeding under this Act is pending, and the authority competent to grant such refund is of the opinion that the grant of refund is likely to adversely affect the revenue, such authority may, with the previous approval of the Commissioner, withhold the refund till such time as the Commissioner may determine."

#### **24. Amendment Of Section 53 :-**

In section 53 of the principal Act,-

(1) in sub-section (2),-

(i) in clause (b), for the words "a tax invoice or a bill of sale or a

delivery note or such other documents as may be prescribed", the words "documents such as tax invoice, bill of sale or delivery note or such other document as may be prescribed" shall be and shall always be deemed to have been substituted;

(ii) after clause (e), the following explanation shall be inserted, namely:-

"Explanation.- For the purpose of sub-sections (4),(8),(10) and (12) of this section, the expressions "carrier" and "bailee" shall include Railways run by the Central Government or others and all such provisions as applicable to a carrier or bailee shall mutatis mutandis apply to Railways.";

(2) in sub-section (4),-

(i) in clause (a), for the words "all goods relating to such goods", the words "all documents relating to such goods" shall be and shall always be deemed to have been substituted;

(ii) sub-clauses (i) and (ii) of clause (c), shall respectively be renumbered as clauses (ii) and (iii) and before clause (ii) as so renumbered, the following clause shall be inserted, namely:-

"(i) to take possession of any goods liable to tax, in respect of which documents prescribed are not produced, till the completion of any proceedings under sub-section (8) or (12);";

(iii) in clause (d), for the words, brackets, figure and letter "item (ii) of sub-clause (c)", the words, brackets, figure and letter "sub-clause (ii) of clause (c)" shall be and shall always be deemed to have been substituted.

## **25. Amendment Of Section 55 :-**

In section 55 of the principal Act, in sub-section (1), after the words "or more", the words "and such difference is not on account of any discount or margin allowed in accordance with the regular trade practice of the seller or any special discount or margin allowed by the seller or the goods being sold by the seller after manufacture to the trade mark or brand holder" shall be inserted.

## **26. Amendment Of Section 56 :-**

In section 56 of the principal Act, in sub-section (1), after the words "transporting agency", the words "including Railways run by Central Government or others" shall be inserted.

## **27. Amendment Of Section 59 :-**

In section 59 of the principal Act, in sub-section (1), after the words "all officers", the words "including Commercial Tax Inspectors" shall be inserted.

**28. Amendment Of Section 60 :-**

In section 60 of the principal Act, in sub-section (7), for the word and figures "Section 66", the words and figures "sections 64 and 66" shall be and shall always be deemed to have been substituted.

**29. Amendment Of Section 63 :-**

In section 63 of the principal Act, for the words "empowered by the State Government" wherever they occur, the words "empowered by the State Government or the Commissioner" shall be substituted.

**30. Insertion Of New Section 63-A :-**

After section 63 of the principal Act as so amended, the following section shall be inserted, namely:-

"63-A. Revisional powers of Joint Commissioner:- (1) The Joint Commissioner may on his own motion call for and examine the record of any order passed or proceeding recorded under this Act and if he considers that any order passed therein by any officer, who is not above the rank of a Deputy Commissioner, is erroneous in so far as it is prejudicial to the interest of the revenue, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment, or canceling the assessment or directing a fresh assessment.

(2) The Joint Commissioner shall not exercise any power under this section, if.-

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

(b) more than four years have expired after the passing of the order sought to be revised.

(3) The Joint Commissioner shall pass order under this section within a period of one year from the date of initiation of proceeding or calling for the records under this section, as the case may be.

(4) Every order passed in revision under this section shall, subject to the provisions of sections 63 and 64 be final.

(5) In computing the period of limitation for the purpose of sub-section (2), any period, during which any proceeding under this Section is stayed by an order or injunction of any court, shall be excluded.

(6) For the purposes of this Section, record shall include all records relating to any proceedings under this Act available at the time of examination by the Joint Commissioner."

### **31. Amendment Of Section 71 :-**

In section 71 of the principal Act, for sub-section (1), the following shall be substituted, namely:-

"(1)A dealer who, without reasonable cause, fails to apply for registration within the time prescribed in sub-sections (1) or (5) to (9) of section 22 shall be liable to a penalty of two thousand rupees in addition to the interest chargeable on the tax payable at the rate provided under section 37."

### **32. Amendment Of Section 72 :-**

In section 72 of the principal Act,-

(1) in sub-section (1), for the words "not exceeding two hundred rupees for each day of default in addition to a further penalty of a sum not less than ten per cent but not exceeding fifty per cent", the words "of fifty rupees for each day of default in addition to a further penalty of a sum of ten per cent" shall be substituted;

(2) in sub-section (2), for the words "twenty per cent", the words "ten per cent" shall be substituted;

(3) in sub-section (3), for the words "not exceeding two hundred rupees", the words "fifty rupees" shall be substituted;

(4) in sub-section (4), for the words "not exceeding to fifty per cent", the words "of ten per cent" shall be substituted;

(5) in sub-section (5), after the words "to be furnished", the words "or the prescribed authority making an assessment or re-assessment" shall be and shall always be deemed to have been inserted.

### **33. Amendment Of Section 76 :-**

For section 76 of the principal Act, the following shall be substituted, namely:-

"76. Penalties relating to tax invoices, bills of sale, credit notes and debit notes:- (1) A registered dealer who,-

(a) fails to provide a tax invoice as required by sub-section (1) of section 29 or a credit or debit note as required by sub-section (1) or sub-section (2) of section 30, or

(b) provides a tax invoice otherwise than in accordance with the provisions of section 29 or a credit or a debit note as provided in section 30,

shall be liable to a penalty of two thousand rupees or an amount equivalent to the tax payable on the transaction, whichever is higher for such offence which is the first during a financial year and if the offence committed is not the first offence during a financial year, a penalty of five thousand rupees or an amount equivalent to the tax payable on the transaction, whichever is higher.

(2) A registered dealer who fails to issue a bill of sale as required by sub-section (1) of section 29 shall be liable to a penalty of one thousand rupees for such offence which is the first during a financial year and if the offence committed is not the first offence during a financial year, a penalty of two thousand rupees.

(3) The power to levy the penalty under this section shall be vested in the officer authorised under section 52."

#### **34. Amendment Of Section 77 :-**

In section 77 of the principal Act, in sub-section (2), for the words "not exceeding five thousand rupees", the words "which shall not be less than the amount of tax leviable or one thousand rupees whichever is higher but which shall not exceed double the amount of tax leviable or five thousand rupees whichever is higher" shall be substituted.

#### **35. Amendment Of Section 89 :-**

In section 89 of the principal Act, for the word and figures "Section 88", the words "this Act" shall be and shall always be deemed to have been substituted.

#### **36. Amendment Of First Schedule :-**

In the First Schedule to the principal Act,-

(1) in the entries relating to serial number 4, in column (2), after the words "Third Schedule", the words "or notified by the Government" shall be inserted;

(2) for the entries relating serial number 5, the following shall be substituted, namely:-

- "5. (i) Animal feed and feed supplements, namely, processed commodity sold as poultry feed, cattle feed, pig feed, fish feed, fish meal, prawn feed, shrimp feed and feed supplements and mineral mixture concentrates, intended for use as feed supplements;
- (ii) Chunni of pulses, de-oiled cake and wheat bran.";
- (3) in the entries relating to serial number 6, in column (2), for the words "shoe nails", the words "shoe and nails" shall be substituted;
- (4) in the entries relating to serial number 13, in column (2), after the words "by animals", the words "and their parts, but excluding rubber tyres, tubes and flaps" shall be inserted;
- (5) in the entries relating to serial number 29, for the words "and blood plasma ", the words "including all its components" shall be substituted;
- (6) in the entries relating to serial number 36, for the words "except when sold in sealed containers", the words "not cured or frozen" shall be substituted.

### **37. Amendment Of Third Schedule :-**

In the Third Schedule to the principal Act,-

- (1) for the entries relating to serial number 5, the following shall be substituted, namely:-

"5. All utensils used for cooking food including pressure cookers and pans and cutlery, but excluding stoves, trays, baskets and other containers, furniture, instruments, implements and tools used in kitchen or household and utensils made of precious metals.";

- (2) in the entries relating to serial number 9, in column (2), after the word "Bearings", the brackets and words "(excluding parts of motor vehicles)" shall be inserted;

- (3) in the entries relating to serial number 15, in column (2), after the word "Bitumen", the words "and cold tar" shall be inserted;

- (4) in the entries relating to serial number 38, in column (2), for the words "soji of maize", the words "soji and poha of maize" shall be substituted;

- (5) in the entries relating to serial number 43, in column (2), after the word "thereof", the words "excluding parts of motor vehicles" shall be inserted;

- (6) for the entries relating to serial number 52, the following shall be substituted, namely:-

"52. Electrical cables for a voltage exceeding 1,000 Volts.";

- (7) in the entries relating to serial number 60, for the words "Syringes", the words "Surgical gloves and Syringes including

needles" shall be substituted;

(8) for the entries relating to serial number 64, the following shall be substituted, namely:-

"64. Moulded plastic footwear fully made of plastic and of single mould, hawai chappals (rubber) and their straps.";

(9) for the entries relating to serial number 69, the following shall be substituted, namely:-

"69. (i) Paper of all kinds including ammonia paper, blotting paper, carbon paper, cellophane, PVC coated paper, stencil paper, tissue paper, water proof paper, art boards, card boards, corrugated boards, duplex boards, pulp boards, straw boards, triplex boards and the like, but excluding photographic paper.

(ii) Waste paper, paper waste and newsprint.";

(10) for the entries relating to serial number 73, the following shall be substituted, namely:-

"73. Meat including flesh of poultry, fish, prawns, shrimps and lobsters when cured or frozen or processed.";

(11) in the entries relating to serial number 78, in column 2, after item (6), the following shall be inserted, namely:-

"(7) Woven labels, badges and the like.";

(12) in the entries relating to serial number 88, after the word "thereof", the words "but excluding sunglasses and goggles and their lenses, frames, other attachments, parts and accessories" shall be inserted;

(13) in the entries relating to serial number 89, after the words "dry chillies", the words "including cut chillies, spent chillies and chilly seeds, but excluding spices in the form of masala powder, instant mixes or other mixtures containing more than one spice or a spice with any other material" shall be inserted.

### **38. Insertion Of Sixth Schedule :-**

After the fifth schedule of the principal Act as so amended, the following new schedule shall be inserted, namely:-

"SIXTH SCHEDULE

[Section 4(1)(c)]

Serial Number	Description of Works Contract	Rate of Tax
1	2	3
1.	Bottling, canning and packing of goods.	Four per cent



2.	Dyeing and printing of textiles.	Four per cent
3.	Electroplating, electorgalvanising, anodizing and the like.	Four per cent
4.	Fabrication and erection of structural works, including fabrication, supply and erection of iron trusses, purlines, etc.	Four per cent
5.	Fabrication or supply and installation of capital goods specified in serial number 20 in Third Schedule	Four per cent
6.	Lamination, rubberisation, coating and similar processes.	Four percent
7.	Manufacturing or processing and supplying of jewellery and articles of gold, silver and other noble metals whether or not studded with precious or semi-precious stones.	One per cent
8.	Printing; block making.	Four per cent
9.	Processing and supplying of photographs, photoprints and photo negatives.	Four per cent
10.	Processing, printing and supplying of cinematographic films.	Four per cent
11.	Programming and providing of computer software.	Four per cent
12.	Providing and laying of steel pipes for purposes other than for plumbing, drainage and the like.	Four per cent
13.	Rewinding of electrical motors.	Four per cent
14.	Service and maintenance of IT products including Telecommunications equipments specified in serial number 53 of Third Schedule.	Four per cent
15.	Sizing and dyeing of yarn.	Four per cent
16.	Supply and erection of electrical transmission towers	Four per cent
17.	Supplying and fixing of Shahabad slabs and stones.	Four per cent
18.	Supply and installation of centrifugal, monoblock and submersible pumpsets.	Four per cent
19.	Supply and training out of stone ballasts	Four per cent
20.	Supply, erection, installation and commissioning of renewable energy devices.	Four per cent
21.	Tyre retreading	Four per cent
22.	Composite contracts involving two or more cent of the above categories.	Four per
23.	All other works contracts not specified in any of the above categories including composite contracts with one or more of the above categories.	Twelve and half per cent

Explanation.- The works contract specified in any of the serial numbers in this Schedule shall include works contract for carrying out improvement, modification or repair."

T.N. Chaturvedi

Governor of Karnataka

By Order and in the name of the Governor of Karnataka

G.K. BOREGOWDA

Secretary to Government

Department of Parliamentary Affairs and Legislation.