



**GOVERNMENT OF KERALA**  
**Abstract**

Finance Department - Special Development Fund for MLAs – Deduction under VAT - Revised Orders Issued.

**FINANCE (NODAL CENTRE) DEPARTMENT**

G.O(P)No.124/07/Fin.

Dated, Thiruvananthapuram, 21.03.2007

Read: 1) G.O (P) No. 544/2004/Fin. dated 22.11.2004.

2) G.O (P) No. 11/2006/TD dated 30.01.2006.

**ORDER**

In the Government Order cited Government had ordered that the schemes executed under the SDF for MLAs and MP Local Area Development Scheme by Beneficiary Committees shall be eligible for exemption from Purchase Tax and Sale Tax. Consequent on implementation of VAT, letters are being received from District Collectors requesting to clarify whether provision for VAT is to be included in the estimate for works under Special Development Fund for MLAs to be implemented by Beneficiary Committees. In the Government Order read as second paper above Government exempted works contractors for payment of Purchase Tax and Sales Tax payable under Kerala General Sales Tax Act 1963 on the turn over of the works contract executed under SDF for MLAs/MPLADs by Beneficiary Committee from 27.5.2004 to 31.3.2005.

2. As per Kerala Value Added Tax Act 2003 contractors are liable to take out registration irrespective of their turnover. In the circumstances Government order that VAT is to be recovered from the bill amount of works executed by Beneficiary Committee under the SDF for MLAs/MPLADs at the following rates w.e.f. 1.4.2005.

- i. If individual contract amount is less than Rs.10 lakhs - 4%
- ii. If individual contract amount is above Rs.10 lakhs - 12.5 %

3. The amount payable shall be included in the estimate

4. The Government Order read, as 1st paper above will stand cancelled.

By Order of the Governor  
K. JOSE CYRIAC  
PRINCIPAL SECRETARY (FINANCE)

To

All District Collectors.  
All Head of Departments.  
All Members of Legislative Assembly.  
The Accountant General (A&E/Audit), Kerala, Thiruvananthapuram.  
The Principal Secretary to the Chief Minister.  
The Private Secretary to the Speaker/Deputy Speaker.  
The Principal Secretary to the Leader of Opposition.  
The Private Secretary to Ministers.  
Office Copy/Stock File.

Forwarded By Order

Section Officer