Confederation of Indian Industry

Representations submitted with the Government of Kerala

Tax

- Make the system fully IT enabled- eliminate human interface and reducing scope for corruption and intimidation.
- Interest Subversion Scheme for MSME's in lieu of the indirect taxes paid. This will help graduation
- In Kerala there are different VAT rates applicable for Branded and Non-branded food items. If one company is processing and distributing their products under their brand it is liable to pay maximum VAT prevailing in Kerala (14.5%) compared to similar products sold without branding-which attract less percentage of VAT (only 5%). This discrepancy need to be corrected.
- It is a known fact that Kerala depends on neighbouring states for the daily requirement of poultry. Poultry traders have to pay 14.5% advance tax while bringing stock into the state which is a deterrent to industrial growth as the tax is way high compared to many other competing states. (For eg : in Maharashtra chilled chicken is taxed zero and frozen at 5%). This Tax structure needs to be reviewed.
- A concerted effort in developing poultry farming in organised manner within Kerala as is required as the demand is rising day by day.
- Processed food manufacturers should be allowed to claim the input tax on purchases of raw material through monthly returns as applicable for Domestic market sale. Now for export production, companies need to submit ``form 21`` and then claim the same as refund once the tax assessment done by the authorities; which usually takes years to happen.