

class, be punishable with fine which may extend to five thousand rupees and where the breach is a continuing one, with further fine which may extend to one hundred rupees for every day after the first breach during which the breach continues.

(4) Any rule under this Act may be made to have effect retrospectively and when any such rule is made, a Statement specifying the reasons for making such a rule shall be laid before both Houses of the State Legislature along with the rule under Section 90, and all rules, shall, subject to any modification made under Section 90, have effect as if enacted in this Act.

89. Laying of Rules and notifications before the State Legislature.- Every rule made under this Act and every notification issued under Section 88 shall be laid as soon as may be after it is published before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session in which it is so laid or the sessions immediately following, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

90. Power to remove difficulties.- (1) If any difficulty arises in giving effect to the provisions of this Act in consequence of the transition to the said provisions of this Act from the provisions of the Acts in force immediately before the commencement of this Act, the Government may by Notification in the Official Gazette make such provisions as appear to it to be necessary or expedient for removing difficulty.

(2) If any difficulty arises in giving effect to the provisions of the Act, otherwise than in relation to the transition from the provisions of the Acts in force before the commencement of this Act, the Government may, by notification, make such provisions, not inconsistent with the purposes of this Act, as appear to it to be necessary or expedient for removing the difficulty.

FIRST SCHEDULE

(Goods exempted from tax under Section 5)

Serial Number	Description of Goods
1	2
1.	Petrol including special boiling spirit.
2.	Diesel.
3.	Aviation turbine fuel.
4.	Sugar cane.
5.	Lottery tickets.
6.	Agricultural implements manually operated or animal driven.
7.	Aids and implements used by handicapped persons.
8.	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.
9.	Betel leaves.

10. Books, Periodicals and journals.
11. Charakha, Ambar Charaka, handloom fabrics and Gandhi Topi.
12. Charcoal and firewood.
13. Coarse grains and their flour excluding paddy, rice and wheat and their flour.
14. Condoms and contraceptives.
15. Cotton and silk yarn in hank.
16. Curd and butter milk.
17. Earthen Pots.
18. Electrical energy.
19. Fish seeds, Prawn seeds, Shrimp seeds, fishing nets and twine, country made non-mechanised boats and fishing requisites including purse-seiners and gill netters, but excluding trawlers and other mechanized boats.
20. Fresh milk and pasteurised milk
21. Fresh plants, saplings, fresh flowers, plantain leaves, patravali (dinner leaves) and their products.
22. Fresh Vegetables & fresh fruits.
23. Garlic, ginger, green chillies, onions, potatoes, sweet potatoes, tapioca and their seeds.
24. Glass bangles.
25. Hay (green or dry).
26. Human blood and blood plasma.
27. Kumkum, bindi and sindhur.
28. Meat including flesh of poultry, fish, prawns, shrimps and lobsters, except when sold in sealed containers; eggs, livestock including poultry, but excluding horses; animal hair including raw wool.
29. National flag.
30. Organic manure, Compost manure, fish manure and poultry manure.
31. Non-judicial stamp paper sold by the Government Treasuries and authorized vendors; postal items like envelopes, post card including greeting cards and stamps sold by the Government; rupee note when sold to the Reserve Bank of India; cheques, loose or in book form.
32. Semen including frozen semen.
33. Silkworm eggs, silkworm pupae, silkworm cocoons and raw silk including raw silk yarn, but excluding raw silk imported from outside the country.
34. Slates, slate pencils and chalk crayons.
35. Tender coconuts.
36. Toddy, Neera and Arrack
37. Unprocessed salt.
38. Water other than-
 - (i) aerated, mineral, distilled , medicinal , ionic , battery and de-mineralised water; and
 - (ii) water sold in sealed container.
39. Liquor including Beer, Fenny, Liqueur and Wine
40. Rectified spirit.

41. ¹[Animal shoe nails.
 42. Plastic bangles.
 43. Un-branded broomsticks.
 44. Leaf plates and cups whether pressed or stitched.
 45. Vibhuthi.
 46. All varieties of textiles namely, cotton, woollen or artificial silk including rayon or nylon whether manufactured in mills, power looms or in handlooms and hosiery cloth in lengths (produced or manufactured in India) as described from time to time in Column 2 of the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (Central Act 58 of 1957).
 47. Sugar (produced or manufactured in India) as described from time to time in Column 2 of the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (Central Act 58 of 1957).
 48. Tobacco and all its products (produced or manufactured in India) as described from time to time in Column 2 of the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (Central Act 58 of 1957).]
1. Inserted by Act 6 of 2005 w.e.f. 19.3.2005.
49. ¹[Avalakki (Beaten Rice) and Mandakki (Parched or puffed rice).
 50. Bread and bun.
 51. Pappads.
 52. Seeds.]

1. Inserted by Act 11 of 2005 w.e.f. 1.4.2005.

SECOND SCHEDULE
GOODS TAXABLE AT ONE PER CENT

[Section 4(1)(a)(i)]

Serial Number	Description of goods
1	2
1.	Bullion and specie
2.	Jewellery and articles of gold, silver and other noble metals whether or not studded with precious or semi-precious stones.

THIRD SCHEDULE
GOODS TAXABLE AT FOUR PER CENT

[Section 4(1)(a)(ii)]

Serial Number	Description of goods
1	2
1.	Agricultural implements not operated manually or not driven by animal.
2.	All kinds of bricks including fly ash bricks; refractory bricks and the like; asphaltic roofing sheets; earthen tiles.
3.	All kinds of yarn other than cotton and silk yarn in hank; sewing thread.
4.	Aluminium utensils and enamelled utensils.
5.	Arecanut.

6. Bamboo ¹[and cane]
1. Inserted by Act 6 of 2005 w.e.f. 19.3.2005.
7. Bearings of all kinds.
8. Beedi leaves.
9. Beltings, namely, Transmission, conveyor or elevator belts or belting of vulcanized rubber whether combined with any textile material or otherwise.
10. Bicycles, tandem cycles, cycle combinations, cycle-rickshaws, ¹[xxx], children's tricycles and similar articles and parts and accessories thereof including their tyres, tubes and flaps.
1. Omitted by Act 6 of 2005 w.e.f. 19.3.2005.
11. Bitumen.
12. Bone meal.
13. ¹[Tea].
1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005.
14. Bulk drugs.
15. Capital goods as may be notified.
16. Chemical fertilizers and chemical fertilizer mixtures ¹[including gypsum]; Insecticides, pesticides, rodenticides, fungicides, weedicides, herbicides, plant regulators and plant growth nutrients.
1. Inserted by Act 11 of 2005 w.e.f. 1.4.2005.
17. Coffee beans and seeds (whether raw or roasted); cocoa pods and beans; green tea leaf and chicory.
18. Coir and Coir products excluding rubberised coir products.
19. Cotton waste and cotton yarn waste.
20. Declared goods as specified in Section 14 of the Central Sales Tax Act, 1956 (Central Act 74 of 1956).
21. Edible oils (Non-refined and refined), oil cake and de-oiled cake ¹[but excluding coconut oil sold in consumer sachets, bottles or tins of 200 grams or 200 millilitre each or less, including when such consumer containers are sold in bulk in a common container]
1. Inserted by Act 6 of 2005 w.e.f. 19.3.2005.
22. Exercise books, student note books, graph books and laboratory note books.
23. Exim scrips, REP licenses, special import licenses (SIL), value based advance licenses (VABAL), Export quotas, copyrights, patents and the like.
24. Fibres of all kinds and fibre waste.
25. Flour (atta), poha, maida, soji of rice, wheat and maize; flour of pulses.
26. Fried gram.
27. Hand pumps and parts thereof.
28. Hose pipes.
29. Hosiery goods.
30. Husk and bran of cereals and pulses.
31. Ice.
32. Incense sticks such as, agarbathi, dhupkathi and dhupbam.
33. Indian musical instruments namely, Veena, violin, tambura, mridanga, ghatam, khanjira, harmonium, flute, star, sarod, santoor, dilruba, nadaswara, dolu, tabla, shehnai, pakwaz, vichitra veena, gotu vadyam, morsing, chande, triangle, rudraveena and sarangi and parts and accessories thereof.
34. Industrial cables namely High voltage cables, XLPE Cables, jelly filled cables and optical fibres.
35. Industrial inputs and packing materials as may be notified.

36. IT Products including telecommunication equipments as may be notified.
37. Jaggery.
38. Kerosene oil sold through Public Distribution System (PDS).
39. ¹[Lime, lime stone, products of lime, dolomite and other white washing materials].
1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005.
40. Medicinal plants, roots, herbs and barks used in the preparation of Ayurvedic medicines.
41. ¹[Medicinal and pharmaceutical preparations].
1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005.
42. Non-ferrous Castings.
43. Non-ferrous metals and alloys; Ingots, slabs, blocks, billets, sheets, circles, hoops, strips, bars, rods, rounds, squares, flats of ¹[and other extrusions of aluminium, brass, bronze, copper, cadmium, lead and zinc metal powders, metal pastes of all types and grades, metal scraps].
1. Inserted by Act 6 of 2005 w.e.f. 19.3.2005.
44. Ores and minerals including lumps and fines.
45. Paper of all kinds including ammonia paper, blotting paper, carbon paper, cellophane, PVC coated paper, stencil 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; waste paper, paper waste and newsprint.
46. Pipes, tubes and fittings of all kinds excluding conduit pipes and its fittings.
47. Plastic footwear.
48. Printed materials other than books meant for reading; stationary articles namely, Account books, paper envelopes, diaries, calendars, race cards, catalogues, greeting cards, invitation cards, humour post cards, picture post cards, cards for special occasions, photo and stamp albums.
49. Printing ink excluding toner and cartridges.
50. Processed and branded salt.
51. Pulp of bamboo, wood and paper.
52. Rail coaches, engines and wagons.
53. Readymade garments.
54. Renewable energy devices and parts thereof.
55. Safety matches.
56. ¹[Mixed PVC stabilizer].
1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005.
57. Sewing machines.
58. Ship and other water vessels.
59. Skimmed milk powder.
60. Solvent oils other than organic solvent oil.
61. Spices in all forms including jeera (cumin seeds), methi, poppy seeds (kaskas), Corriander (dhaniya), shajeera, somph, katha, azwan, kabab chini, bhojur phool, tejpatha, japatri, nutmeg (marathamoggu), kalhoovu, aniseed, turmeric, cardamom, pepper, cinnamon, dal chinny, cloves, tamarind and dry chillies.
62. Sports goods (indoor and out door) including body building equipments, but excluding wearing apparels and footwear.
63. Starch.
64. Tractors and Power tillers, their parts and accessories including trailers, but excluding batteries, tyres, tubes and flaps.

65. Transmission towers (electrical) ¹[and wires, and conductors such as Aluminium conductor steel reinforced].

1. Inserted by Act 6 of 2005 w.e.f. 19.3.2005.

66. Umbrellas excluding garden and beach umbrellas.

67. Vanaspathi (Hydrogenated Vegetable Oil).

68. ¹[Vegetable oil including gingili oil, bran oil and castor oil excluding vegetable oil used as toilet article].

1. Substituted by Act 6 of 2005 w.e.f. 19.3.2005.

69. Welding Electrodes of all kinds, graphite electrodes including anodes, welding rods, soldering rods and soldering wires

70. Writing instruments such as pens, pencils and the like ¹[including refills of pens].

1. Inserted by Act 6 of 2005 w.e.f. 19.3.2005.

71. ¹[Articles made of rolled gold or imitation gold.

72. Bagasse.

73. Centrifugal, monobloc and submersible pumps and parts thereof

74. Clay.

75. Embroidery or zari articles, that is to say, imi, zari, kasab, saima, dabka, chumki, gota, sitara, naqsi, kora, glass bead, badla, gizal.

76. Fireclay, coal ash, coal boiler ash, coal cinder ash, coal powder and clinker.

77. Lignite.

78. ¹[pulses other than those specified in serial No. 20]¹.

1. Substituted by Act 11 of 2005 w.e.f. 1.4.2005.

79. ²[xxx

80. xxxx

81. xxx.]²¹

1. Inserted by Act 6 of 2005 w.e.f. 19.3.2005.

2. Omitted by Act 11 of 2005 w.e.f. 1.4.2005

FOURTH SCHEDULE
GOODS TAXABLE AT TWENTY PER CENT
[Section 4(1)(a)(iii)]

Serial Number	Description of goods
1	2
1.	Narcotics
2.	Molasses

FIFTH SCHEDULE
INPUT TAX RESTRICTED GOODS
(Section 11(3))

Serial Number	Description of Goods
1	2
1.	Motor vehicles of all kinds, aeroplanes, helicopters or any other type of flying machine, parts and accessories thereof including tyres, tubes and flaps.
2.	Articles of food and drinks, including cakes, biscuits and confectionery; ready to serve foods; processed or semi-processed or semi-cooked food-stuffs; fruits, fruit

and vegetable products sold in any kind of sealed containers; dressed chicken, meat, fish, prawns, shrimps and lobsters sold in any kind of sealed containers; aerated water, including soft drinks; sweets and sweet meats; instant mixes; soft drink concentrates; spice powders, pastes and the like; tobacco and tobacco products.

3. All electrical or electronic goods and appliances including air conditioners, air coolers, telephones, fax machines, duplicating machines, photocopiers and scanners, parts and accessories thereof, other than those for use in the manufacture, processing, packing or storing of goods for sale and those for use in computing, issuing tax invoice or sale bills, security and storing information.
4. Textiles, crockery, cutlery, carpets, paintings and artifacts.
5. Furniture including slotted angles and ready to assemble parts of furniture, stationery articles including paper, sanitary fittings, cement and other construction materials including bricks, timber, wood, glass, mirrors, roofing materials, stones, tiles and paints, toilet articles.

The above translation of the ಕರ್ನಾಟಕ ಮೌಲ್ಯವರ್ಧಿತ ತೆರಿಗೆ ಅಧಿನಿಯಮ 2003 (2004ರ ಕರ್ನಾಟಕ ಅಧಿನಿಯಮ ಸಂಖ್ಯೆ 32) be published in the Official Gazette under clause (3) of Article 348 of the Constitution of India.

T.N. Chaturvedi
Governor of Karnataka

By order and in the name of the Governor of Karnataka

G. Dakshina Moorthy
Secretary to Government,
Department of Parliamentary Affairs and Legislation,