

**CIRCULAR No.35/08**

Sub:- Special Package announced in the budget speech 2007-08 for revival of cashew Industry- Instructions issued.

Ref:- GO(MS) No. 136/08/TD Dt 07.07.08

(1) Para 174 of the Budget Speech 2007-08 reads as follows:

“The Cashew industry, which is one of our most important traditional industries, is in crisis. Almost all cashew dealers have been transacting with other states illegally for quite some time now. They have been showing interstate sales as stock transfer to their depots or agents to evade Central Sales Tax. Even though this is a criminal offence, Government have not launched prosecution against these dealers. These dealers should have been charged 10 % or 12.5% tax with interest for the failure to file valid statutory forms. There have been representations not only from this industry but also from all party delegations and Trade Union representatives that these heavy payments would destroy these industrial undertakings. Hence, considering the interest of the labour, I am taking a lenient view. It is because of my desire to be transparent in deals such as this that I bring this up in this House. I offer to waive the penalty and all amounts in excess of 4 % and interest thereon on all transactions upto 31..03..06 provided the dealers pay the amount in full before 30.06.07. If the dealers accept the offer necessary orders will be issued subject to concurrence of the Central Government. The sacrifice of revenue involved is Rs. 25 crores.”

(2). With a view to give effect to the proposals contained in para 174 of Budget speech 2007-08, Government have issued the G.O. read above waiving the penalty, interest and all amount in excess of 4 %, of tax thereon on all interstate transactions made by cashew dealers in Kerala upto 31..03..2006.

All assessing authorities are hereby directed to give effect to the above decision immediately.

Tax, if any, paid shall not be refunded.

Sd/  
Commissioner.