PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES, KERALA THIRUVANANTHAPURAM.
PRESENT: SUMAN BILLA, I.A.S.

Sub: KVAT Act, 2003 – Clarification U/s 94 – Whether the turnover of Bullion
       can be compounded U/s 8(f) of the Act – Orders issued.

Read: 1. Application from M/s. Deepa Gold, Kanhangad dated 27/10/2009.
       2. This Office Notice of even No. dated 7/2/2011.
       3. Letter from the applicant dated 11/2/2011.

ORDER No. C3/43977/09/CT DATED 14/12/2011.

1. M/s. Deepa Gold, Kanhangad has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003 seeking clarification on whether the turnover of bullions of gold and silver and gold coins which falls under Entry 1 of the Second Schedule can also be compounded U/s 8(f) along with the turnover of gold and silver ornaments (new & old) which falls under Entry 51A of the Third Schedule.

2. The applicant was offered an opportunity of hearing to present his case vide Notice read as paper 2 above. But the applicant vide letter read as 3rd paper above, has informed that they do not intend to have a personal hearing in the matter and has requested to dispose the application on merits.

3.   The matter has been examined. Since the members of the Authority for Clarification could not arrive at a unanimous decision, the matter was referred to the Commissioner of Commercial Taxes as envisaged in sub-section 6 of Section 94 of the Kerala Value Added Tax Act, 2003.

5. The issue raised by the applicant relates to sub - clause (i) of clause (f) of section 8 of the Kerala Value Added Tax Act, 2003. An explanation has been inserted to clause (i) of sub-section (f) of section 8 of the Kerala Value Added Tax Act, 2003 by the Kerala Finance Act, 2011 and the said explanation reads:

Explanation 9: - For the removal of doubts, it is clarified that for the purpose of this clause, " articles of gold, silver or platinum group metals" shall also include bullion.";

6. The statutory position with respect to the issue raised by the applicant is clear from the above said explanation and the issue raised above is clarified accordingly.

COMMISSIONER