

**CIRCULAR No.14/08**

Sub:- Amendments to KVAT Rules – New formats – instructions - issued –reg

Certain prescribed formats have been changed as part of the amendments to the KVAT Rules, 2005, notified as SRO.7/2008; these shall generally be put into use with effect from 1<sup>st</sup> April 2008.

- (1) Application for VAT registration has now to be filed in the modified Form No.1 and that of Banks in Form No. 1H.
- (2) Since there are no additional fields in the new Form 1, there will not be any problem for data entry in KVATIS in the existing format. Data entry can be done in the relevant fields as per the new format.
- (3) In case of taxpayers opting to pay at compounded rate under section 8, the application shall be in Form 1D for the "Other than Works Contractors" category, and in Form No 1DA in the case of Works Contractors.
- (4) Different formats have been prescribed for giving permission for payment of tax compounded rate. The permission shall be issued in the case of
  - i) Works contractors u/s 8(a) in Form No. 4D
  - ii) Crusher units u/s 8(b) in Form 4DA
  - iii) Cooked food other than Bar attached hotels u/s 8(c)(i) in Form No 4DB
  - iv) Cooked food in Bar attached hotels u/s 8(c)(ii) in form 4DC
  - v) Video libraries u/s 8(d) in form 4DD
  - vi) Medicines u/s 8(e) in Form No 4DE, and
  - vii) Gold jewellery u/s 8(f) in Form No 4DF.
- (5) Changes have also been effected in the bill formats in tune with the amendments to the statute. Form 8A has been omitted. Those who were issuing bills in Form 8A may now use Form 8.
- (6) Bill formats for works contractors have also been modified. Contractors who are paying tax u/s 6 have to issue bills in Form 8C and those operating under section 8, in Form 8CA.
- (7) The bill format prescribed for presumptive tax payers, **Form 8B**, has also been modified.
- (8) In the case of others where no specific format is specified, they may use Form 8B with suitable modification.
- (9) Where tax collection is not authorized under the Act the respective column shall be omitted.
- (10) Dealers collecting cess and compounded tax payers entitled to collect tax may add additional columns or rows suitably in the existing formats.
- (11) Where dealers use different series of bills/invoices/cash memos, they shall be numbered alphanumerically as prescribed in Rule 58(11A) and no relaxation whatsoever shall be permitted.
- (12) Return format in Form 10 has been modified and a new Form 10B has been prescribed exclusively for works contractors of all categories. Dealers who undertake construction or development of flats, apartments and villas are required to file a declaration in Form 49 along with Form 10B.
- (13) One highlight of these reforms is that the return under the CST Act & KVAT Act has been combined, and that dealers liable to file returns under the CST Act will now have only to file the return in duplicate, superscribing one copy as 'KVAT Copy' and other as 'CST Copy'. CST (Kerala) Rules, 1957 have been amended accordingly. All other categories need to file only a single copy of the returns. The new format of the return shall be compulsorily used for returns for the month of April 2008 due in May 2008.
- (14) Formats have been prescribed for filing Purchase Statement and Sales Statement and Closing Stock Inventory along with the returns /annual return. Uniformity in data is critical in the context of computerization and hence this change: dealers shall file Purchase and Sale statements in Form

52 and Closing Stock Inventory in Form 53. Annual return for 2007-08 may be filed in the pre-revised format; however, Closing Stock Inventory in Form 53 shall be insisted.

- (15) Return Form 11A intended for clearing, forwarding, transporting, shipping and courier agencies has also been modified. These categories are required to file returns on a monthly basis.
- (16) All refund application formats in Form 21B, 21C and 21CC have been modified suitably to meet the requirements of verification so as to speed up processing and release of eligible refunds.
- (17) Filing of Closing Stock Inventory in Form 54 in respect of the VAT-suffered goods locally purchased during the year to which the application for refund relates, in Form 21CC is mandatory. Only applications containing all the requirements need be accepted.

All officers are directed to see that the above changes are enforced with immediate effect .

Commissioner

To  
All Officers

No. C1.11839/08

Office of the Commissioner  
Commercial Taxes  
Thiruvananthapuram  
Dated 11-4-08

**ERRATUM TO CIRCULAR No.14/08**

The words and figure 'Form 8B' in Para 7 of the Circular shall be read as 'Form 8D'.

**Commissioner**

To  
**All Concerned.**