

No.C1-41264/09/CT

Office of the Commissioner
Commercial Taxes
Thiruvananthapuram.
Dtd.27-10-2009.

CIRCULAR No.16/09

Sub:- Introduction of e-Payment - Extension of date for filing compounding options under Section 8 for 2009-10 – Consequent changes in e-Filing process – Instructions issued – reg.

(1) As per Circular 5/09, last date for filing compounding applications under Sec.8 of the KVAT Act where extended upto 30th June, 2009. This change had necessitated certain modifications in the KVATIS software. Gold dealers and bar hotels, who have opted compounding during the extended time had filed regular returns in Form No.10 due for the months of the first quarter of the financial year 2009-10. Since e-Payment was made compulsory from September 2009, these return needs to be regularized in KVATIS. In the circumstances, the following instructions are issued.

(2) Gold and bar hotel dealers (in relation to their cooked food turnover), who opted compounding on availing the extended time limit, and filed regular returns during the first quarter of this financial year may file a 'NIL' return in Form 10DA to the corresponding period for which they e-Filed Form 10 return.

(3) Facility has been provided in Form 10DA return to enter the difference of tax, if any in the field "compounded tax payable".

(4) As per Section 10 of the KVAT Act, awarders are liable to remit tax in every month. But, as per Rule 32 they have to file only quarterly returns. It is very difficult to manage this situation in e-payment scenario. Hence, in the interest of tax administration it is decided that the awarders has to file Form 10C returns on monthly basis. This change will take effect for the returns to be filed for the month of November 2009 onwards.

Necessary amendments in the rules will follow.

COMMISSIONER