

**19. DEPARTMENT OF COMMERCIAL TAXES, KERALA  
PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION  
U/S.94 OF THE KERALA VALUE ADDED TAX ACT, 2003.**

Members present are:

1. R. Rajasekharan Nair, Deputy Commissioner (Audit & Inspection), O/o.CCT, Tvpm.
2. A. Biji Kumari Amma, Deputy Commissioner (Legal Wing), O/o.CCT, Tvpm.
3. A. Ashok Kumar, Deputy Commissioner (Internal Audit), O/o.CCT, Tvpm.

Sub: KVAT Act, 2003 – Clarification u/s.94 – Tax liability on Total Turnover - Orders issued.

Ref: 1. Application from M/s United Polymers, Kozhikode dated 26/6/2008.

2. This Office Hearing Notices of Even No. dated 11/7/2008 and 15/9/2008

3. Letter from the Applicant dated 1/4/2009.

**Order No.C3/25551/08/CT dated 7/11/2009**

1. M/s United Polymers, Kozhikode has filed an application U/s 94 of the KVAT Act, 2003 seeking clarification on the tax liability on the Total Turnover. The total turnover of the applicant for the year 2007-08 was Rs. 9,53,785/-. The applicant contends that by virtue of sub section (1) of Section 6 of the Act, they are not liable to pay tax under the Act. The applicant had collected tax on a few sales during the year and has remitted the same to the Government. As the applicant collected tax on some of the sales, the assessing authority issued a notice demanding tax on the entire sales under clause (a) of sub-section (1A) of Section 6 of the Act. The applicant has requested to clarify whether they are liable to pay tax on the entire turnover on the ground that they have collected tax only on a few sales.

2. The applicant has not availed any of the opportunities for hearing and vide reference 3<sup>rd</sup> cited has requested to dispose the application in their absence on its merits.

3. Clause (a) of sub-section (1A) of Section 6 of the Kerala Value Added Tax Act, 2003 reads as follows:

*(1A) Notwithstanding anything contained in sub-section (1), —*

*(a) where a dealer whose total turnover for a year is below the limit specified in sub-section (1) collects tax under section 30 on his sales, he shall, whatever be his total turnover for the year, be liable to pay tax under sub-section (1) on the taxable turnover for the year.*

4. Hence the applicant is liable to pay tax under the Kerala Value Added Tax Act, 2003 on the entire turnover of Rs. 9, 53,785/-.

The issues raised above are clarified accordingly.

Deputy Commissioner (A&I)  
O/o CCT

Deputy Commissioner (LW)  
O/o CCT

Deputy Commissioner( IA)  
O/o CCT