

**41. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES,  
THIRUVANANTHAPURAM**

Present: Sri.P. Mara Pandiyan, I.A.S

Sub:- KVAT Act, 2003 - Clarification U/s 94 – Works Contract  
Compounding – Clarified orders issued- Reg.

Ref:- 1. Application put in by M/s.PATI - BEL JV, Karuvatta  
South, Adoor, Patahnamthitta dt. 04.08.2008

2. Notice No.C3-30699/08/CT. Dtd.06.10.2008.

**ORDER No. C3-30699/08/CT Dated 09.12.2008**

(1) M/s PATI - BEL JV ,Karuvatta South, Adoor, Patahnamthitta has filed an application seeking clarification on the rate of Compounded tax payable for their ongoing Contract work with Kerala State Transport Project, which was commenced before the commencement of Value Added Tax in Kerala.

(2) The authorized representative of the applicant was heard on 01.11.2008 in detail and issue raised was examined in detail with reference to the statutory provisions.

(3) Regarding ongoing contract work awarded by Government of Kerala which has been originally commenced before 01.04.2005, the applicant can pay Compounded Tax @ 2.3 % up to 31.03.2007 only as per 3<sup>rd</sup> proviso to section 8(iii) of KVAT Act and thereafter @ 4% as per 1<sup>st</sup> proviso to section 8(ii) of the KVAT Act, 2003.

The issue raised is clarified as above

COMMISSIONER