

**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. T.K. Ziavudeen.  
*Joint Commissioner (Law),  
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.*

2. Dr. A. Bijikumari Amma.  
*Joint Commissioner (A & I),  
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.*

3. N. Thulaseedharan Pillai.  
*Joint Commissioner (General),  
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.*

Sub :- KVAT Act, 2003 - Clarification U/s 94 - Compounding u/s. 8(c)(i) for financial year 2012-13 - Dealer effecting interstate purchase - eligibility of compounding - Orders issued.

Read:- Application dtd. 04-11-16 from Sri. Anirudhan.V

**ORDER No.CT/769/17-C3 DATED 12/04/2017**

1. Sri. Anirudhan.V, Thrissur has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003 seeking clarification as to whether interstate purchase of goods can be done during the year 2012-13, who opts for compounding u/s. 8(c) of the KVAT Act.

2. The applicant was heard in the matter and the contentions raised were examined.

3. Sec. 8(c)(i) of the KVAT Act related to the year 12-13 reads as under:  
*Any dealer in cooked food and beverages, including beverages prepared by him, other than a dealer supplying cooked food or beverages to any airline service company or institution or shipping company for serving in air craft, ships or steamer or served in air craft, ship, steamer, bar attached hotel or star hotel may, at his option, instead of paying tax in accordance with the provisions of sub-section (1) of section 6 but subject to payment of tax, if any, payable under sub-section (2) thereof, pay tax at half per cent of the turnover of cooked food and beverages prepared by him and also on the turnover of other goods in respect of which he is not the dealer effecting first taxable sale, as defined in the explanation under sub-section (5) of section 6.*  
*Explanation:- Cooked food for the purpose of this clause shall include sweets and fresh fruit juice prepared and served in the restaurants and hotels.*

4. As per the provisions that existed during the year 2012-13, a dealer in cooked food and beverages, could also have paid compounded tax @0.5% on the turnover of other goods in respect of which he is not the dealer effecting first taxable sale in addition to the turnover or cooked food and beverages. Further, the following categories of dealers could not opt for compounding u/s. 8(c)(i).

A dealer supplying cooked food or beverages to

- i) Any airline service company or institution or shipping company for serving in aircrafts, ship or steamer or served in aircraft, ship, steamer.
- ii) bar attached hotel or star hotel.

5. In the light of the above, it is hereby clarified that there was no bar on any dealer in cooked food and beverages, who had opted to pay compounded tax u/s. 8(c)(i), for effecting interstate purchase of cooked food and beverages for the period prior to 01.04.2014.

The issues raised above are clarified accordingly.

**T.K. Ziaudeen**  
**Joint Commissioner (Law)**  
**(General)**  
**O/o CCT**

**Dr. A. Bijikumari Amma**  
**Joint Commissioner (A&I)**  
**O/o CCT**

**N. Thulaseedharan Pillai**  
**Joint Commissioner**  
**O/o CCT**

To

Sri. Anirudhan.V., DST,  
Thrithira, Main Road,  
Wadakanchery - 680582