



Government of Karnataka  
Commercial Taxes Department

**PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES,  
(KARNATAKA), BANGALORE- CLARIFICATION UNDER SECTION 59(4) OF  
THE KARNATAKA VALUE ADDED TAX ACT, 2003.**

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Sub: KVAT Act, 2003 - Clarification under Section 59(4)  
on deduction of tax at source for works contract. - reg.

Ref: Application dated 13-01-2012 of M/s. SNC power  
Corporation (p) Ltd., Bangalore. TIN:29070482888.

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The registered dealer under the Act, of M/s. SNC Power Corporation (p) Ltd., "SNC House", No.7, 4<sup>th</sup> Floor, Residency Road, Bangalore-560025 has sought clarification regarding the deduction of Karnataka Value Added Tax at source in the case of works contract.

2. Section 59(4) of the Karnataka Value Added Tax Act, 2003 empowers the Commissioner of Commercial Taxes to clarify the rate of tax payable under the Act, if he considers it necessary or expedient so to do, for the purpose of maintaining uniformity in the work of assessments and collection of revenue. It is examined and found that the clarification requested by the petitioner is within the scope of the aforesaid provision and it is necessary that the clarification be issued for the purpose of maintaining uniformity in the work of assessments and collection of revenue.

3. Hence the following clarification is issued.

**CLARIFICATION NO.CLR.CR.221/11-12, DATED <sup>11</sup>10-05-2012**

It is clarified that "VAT at the rate of 4% has to be deducted at source on the total consideration as per Notification No.FD 116 CSL 2006(13) dated 31-03-2006,if the contractor is registered under the scheme of Composition of tax under section 15 of the KVAT Act, 2003".

  
(PRADEEP SINGH KHAROLA)  
Commissioner of Commercial Taxes,  
(Karnataka), Bangalore  
Commissioner of Commercial Taxes  
Karnataka, BANGALORE