



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.**

Sub: KVAT Act, 2003 - Clarification under Section 59(4)  
regarding rate of tax under composition scheme for  
works contract - reg.

Ref: Application dated 28-08-2012 of M/s. Channanajeshwara  
Constructions Bangalore-560018.  
TIN:29080789160.

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In the application cited above of M/s. Chnnanajeshwara Constructions, 40/7,  
2<sup>nd</sup> Main Road, Raghavendra Nilaya, vittal Nagar, Chamarajpet, Bangalore-560018 has  
sought clarification regarding rate of tax under composition scheme for 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.101/12-13, DATED 18-09-2012**

It is clarified that the rate of composition amount payable by a dealer executing  
works contracts who has opted for composition of tax under section 15(1) of the  
Karnataka Value Added Tax Act, 2003 is 4% on the total consideration for the works  
contract executed, in terms of the notification No. FD 116 CSL 2006 (13) dt.31.03.2006.

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(YOGENDRA TRIPATHI)

Commissioner of Commercial Taxes,  
(Karnataka) Bangalore  
12, KARLAKA, BANGALORE