

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. C. Lalappan.
Joint Commissioner (Audit & Inspection),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

2. P.S. Soman.
Joint Commissioner (Law),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

3. T.K. Ziavudeen.
Joint Commissioner (General),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

Sub : KVAT Act, 2003 – Clarification U/s 94 – Rate of tax of Cement or concrete frames for doors and windows with and without MS Rod and MS Flat – Orders issued.

Read : Application from Sri. T.L.Peter, M/s. St. Peter's Furniture Mart, Kochi dtd. 14/8/2012.

ORDER No.C3/27199/12/CT DATED 13/11/2014.

1. Sri. T.L.Peter, M/s. St. Peter's Furniture Mart, Kochi has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003 seeking clarification on the rate of tax of cement or concrete frames for doors and windows with and without MS Rod and MS Flat.

2. The applicant is running a unit under the name and style M/s. St. Peter's Furniture Mart, Ernakulam and is borne on the rolls of the Office of the Commercial Tax Officer, 2nd Circle, Thripunithura. The unit is manufacturing and selling 'Concrete Doors and Windows' using cement, crushed metal, crusher sand, TMT steel, cement putty and hardware items. In certain cases, according to the requirement of the customers, the applicant will manufacture and sell concrete window frames fitted with iron rods and iron flats.

3. The applicant would contend that as per Kerala Finance Act, 2009, a new Entry viz. Entry 9A was inserted in the First Schedule, exempting 'Cement or concrete frames for doors and windows'. The applicant is collecting and paying output tax at Revenue Neutral Rate on concrete window frames fitted with iron rod and flat. The applicant would contend that certain other manufacturers and dealers are selling the same item as exempted commodities. As a result there is disparity in the value of the product available in the market. Hence, the applicant has requested to clarify the rate of tax of the following commodities:

i. Cement or Concrete frames for doors and windows without MS-rod and MS-flat.

ii. Cement or Concrete frames for doors and windows with MS-rod and MS-flat.

4. The authorised representative of the applicant was heard in the matter and the contentions raised were examined.

5. As per Entry 9A of the First Schedule to the Kerala Value Added Tax Act, 2003, only '*Cement or concrete frames for doors and windows*' are exempted. The intention and import of the Entry is clear and specific. Cement or concrete frames for doors and windows fitted with MS Rods and MS Flat loses its identity as 'frames' and become full fledged pre-fabricated doors and windows. Hence, such pre-fabricated doors and windows would be taxable at the rate of 14.5% by virtue of Entry 103 of the S.R.O. No. 82/2006.

The issues raised above are clarified accordingly.

C. Lalappan
Joint Commissioner (A&I)

P.S. Soman
Joint Commissioner (Law)

T.K. Zivudeen
Joint Commissioner (General)

To

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