

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION
UNDER SECTION 94 OF THE KERALA VALUE ADDED TAX ACT, 2003
DEPARTMENT OF COMMERCIAL TAXES, KERALA.

Members present are:

B.S Thyagarajababu,
Joint Commissioner (General),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

A. Nazurudeen,
Joint Commissioner (Audit & Inspection),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

M.I. Mansur,
Deputy Commissioner (Internal Audit),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

Sub:- KVAT Act, 2003 – Clarification U/s 94 – Application put in by M/s.Unipower systems, Kottayam – Orders issued- reg.

Read:- 1.Application dated 23-03-2013 M/s. Unipower Systems, Kottayam
2. Final Hearing Dt.25-10-2018.

ORDER No.C3/9606/2013/CT DATED 27-03-2019


The applicant has entered into agreement with the KSEB for the repairs of faulty distribution transformers at various divisions of the KSEB. The contract is in two parts, the first for the supply of materials and other for the supply of labour. In the case of the supply part, the price per unit of each item is specifically mentioned and bills are raised on KSEB strictly in accordance with the rates agreed upon. In the case of the labour portion also for each item of work, rate is agreed upon and is specifically mentioned in the work order. In this context clarification is sought on the following points:


- (a) Whether in respect of the goods sold to the KSEB as per the agreement tax will be payable under clause (a) or (d) of sub-section (1) of Sec.6 of the KVAT Act, 2003; or
- (b) Whether tax will be payable under clause (f) of sub-section (1) of Sec.6 of the KVAT Act, 2003.

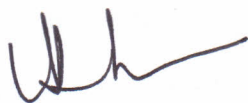
The authorized representative of petitioner was heard and produced copy of the work order along with invoice for verification. The applicant issued separate tax invoice including excise duty, and VAT for the supply of materials.

The team verified the work order and invoices submitted by the applicant. It is clarified that the supply of goods for repair of faulty transformers would be taxed as per the Schedule rate of such commodities. Regarding the labour portion of such repairs for which invoice is raised separately, it is clarified that it will not form part of taxable turnover under KVAT Act, since no transfer of goods are seen involved.

The issues raised above are clarified accordingly.


B.S Thyagarajababu,
Joint Commissioner (General),
O/o CCT


A. Nazarudeen,
Joint Commissioner (A & I),
O/o CCT


M.I. Mansur,
Deputy Commissioner
(Internal Audit), O/o CCT

To
M/s.Unipower Systems,
Kothala.P.O,
Pampady,
Kottayam.