

**84. PROCEEDINGS OF THE COMMISSIONER OF
COMMERCIAL TAXES THIRUVANANTHAPURAM**

Present:-.Paul Antony. IAS

Sub:- KVAT Act 03- Clarification U/s. 94- filed by M/s.
Signteck, Cochin-Clarified orders issued- Reg:

Read:- 1 Application in form No. 24 Dt. 28.11.05
2.Hearing Notice No.C7.55663/05/CT Dt. 02.05.06.

ORDER No.C7.55663/05/CT Dt. 25.09.06

M/s. Signtek, Paramara Road, Kochi has filed an application for clarification U/s. 94 of KVAT Act 03 on the following points.

1. Whether the printing on flex, PVC sheets etc is a manufacturing process or not?
2. Whether the tax paid on capital goods purchased for printing works are eligible for ITC U/s 11(2) of the KVAT Act, 03.

Authorised representative of the applicant was heard. The issues raised by the applicant were examined in detail.

The activity involved in printing on flex, PVC Sheets etc will come within the purview of works contract. If printing on flex is made on the basis of a work order, it will become a printed material. It is taxable as per section 6(1) (e) of KVAT Act 03, i.e. at the rate applicable to the goods, if the transfer is in the form of goods. Here the flex loses its identity and in commercial parlance, it will become printed material. Since it is made on the basis of a specific order, it is not commercially valuable as far as third party is concerned. Here, the end result is the emergence of a commercially distinct product and hence it is a manufacturing process. Hence, the applicant M/s. Signtek, Kochi is eligible for ITC on the tax paid on capital goods purchased for printing works.

The point sought for is clarified accordingly.

Commissioner