

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

Present:-.Paul Antony. IAS

Sub:- KVAT Act- Clarification U/s. 94- Rate of tax on “Roll up insect screen” clarified orders issued- Reg:

Read:- 1. Application in form No. 24 Dt 26.06.06 filed by M/s. Jels Hi Tech Industries, Kolencherry, Ekm

2.Hearing Notice no. C7.28251/06/CT Dt. 26.06.06

ORDER No. C7.28251/06/CT Dt. 03.10.06

M/s. Jels Hi-Tech Industries, Kolencherry has filed an application for clarification U/s. 94 of KVAT Act 03. The point sought for clarification are as follows:

1. The rate of tax applicable to “Roll up insect screen” manufactured and installed at the customers required place.
2. The rate of tax applicable to the semi-finished “Roll up insect screen”
3. What is the form No. to be used for filing monthly return to VAT office.
4. Should the applicant pay VAT on labour and other charges incurred by them

The applicant was heard, and the issue raised by the applicant was examined and the points sought for are clarified below.

Admittedly the product in question “Roll up insect screen” is one manufactured by the applicant using various raw materials, the tax rate of which is 4 % and 12.5 %. Since the product evolved out of the manufacture is a different commodity, the tax rate of which has not have specifically mentioned in any of the schedules, the same is classifiable under item 103 of SRO 82/06 taxable @ 12.5%. The rate of tax applicable to semi finished goods will also be the same and the dealer has to file monthly return in Form No.10.

As regard to the last point, ie, whether the applicant should pay VAT on labour and other charges incurred by them, it is clarified that these items are part of the production cost and necessarily this will form part of the cost of the goods on which VAT is payable.

The points raised are clarified accordingly..

Commissioner