

GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES: ASSAM
KAR-BHAWAN, DISPUR, GUWAHATI-06

No:CTS-85/2015/14

Dated Guwahati the 1st Feb.'2016.

M/s Phoneix Marketing, Shanti Commercial Complex, Kedar Road, Fancy Bazar Guwahati has filed an application u/s 105 of the Assam Value Added Tax Act, 2003 for determination of disputed question regarding rate of VAT on "Geobages" and "Geosheets".

Shri Danraj Kankani, CA appeared on behalf of the petitioner and stated that the dealer has been paying VAT @ 5% on these items as per items 88 of Part A of the second schedule appended to the Assam Value Added Tax Act, 2003. In a written submission, the applicant stated also that "Geobages" and "Geosheets" are made from polyester and polypsopleue and used for river embankment for protection from soil erosion.

He is heard and SL 88 of Part A of Second Schedule to the AVAT Act examined. The said SL was inserted with effect from 3.12.2005 and omitted with effect from 28-06-2012 by notification No.FTX-55/2005/Pt-V/255 dt.28-6-12. The description under SL 88 is Textile made ups i.e. fabric that has undergone a stitching process but excluding bleaching, dyeing, water strink proofing , organdie process. The expression textile interpreted according to popular meaning refers to clothes or fabrics made by wearing knitting setting and braiding. It therefore defies logic how "Geobags" and "Geosheets" could be classified under SL 88 of part A of second schedule and more so when the entry has been deleted although w.e.f 28-6-12.

Expressions occurring in the sale tax enactments must be understood in the sense in which people conversant with the subject matter with which the statute is dealing would attribute to it. Therefore particular words used by the legislature in the denomination of articles are to be understood according to common commercial understanding.

It is therefore clarified that "Geobages" and "Geosheets" are taxable @ 14.5% as per entry at SL No I of the fifth schedule of the Assam Value Added Tax Act as the item is not mentioned in any entries of first second third and fourth schedules of the Assam Value Added Tax Act 2003.

Sd/-(Sri Anurag Goel IAS)
Commissioner of Taxes, Assam
Dispur, Guwahati-6

Memo No: CTS-85/2015/14-A

Dated Guwahati the 1st. Feb. 16

Copy to:

1. The Principal Secretary to the Govt. of Assam , Finance Deptt., Dispur-6 for favour of information of the Govt.
2. The Addl.C.T./J.C.T. (All) for information.
3. The D.T.C. (All) for information.
4. The A.C.T./S.T. (All) for information.
5. M/s Phoneix Marketing, Shanti Commercial Complex, Kedar Road, Fancy Bazar Guwahati for information.



(Shri.P.K.Das)

Joint Commissioner of Taxes, Assam
Dispur, Guwahati

