

No. CTS-41/2007/79

Dated Dispur, the 16<sup>th</sup> September, 2008

Sub: Clarification on rate of tax on hand made soap imported from outside the State.

**Extract of the Order**

The “Indigenous hand made soap” is covered by entry at Sl. 91 of the Part-A of Second Schedule. As per dictionary, the word “indigenous” means native, local or original. The local or original shall be in context of the situation. Here the term “indigenous hand made soap” is included in the Assam Value Added Tax Act’2003 which is State specific. Hence the word “indigenous” shall also have to be treated as State specific. In other words, the entry shall cover the hand made soap produced locally in the State.

It is therefore, clarified that all hand made soap shall not come under the entry at Sl. No. 91 of Part-A of Second Schedule, only those hand made soaps will be covered in the said entry which are produced locally in Assam. The hand made soap imported from outside the State of Assam will be taxable at 12.5% under entry 1 of Fifth Schedule of AVAT Act’2003.

Sd/-(Sanjay Lohiya)  
Commissioner of Taxes, Assam  
Dispur, Guwahati