

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

(Circular No.12/2009)

No. CTS-14/2008/491

Dated Dispur, the 5th May, 2009

Sub : Interim order dt. 16.1.2009 of Hon'ble Gauhati High Court in WP(C) No. 12/2009 (M/s N.E. Packaged Drinking Water Manufacturer's Association -Vs- State of Assam) and Clarification Order issued vide Memo No. CTS-14/2008/132-135 dt. 30.9.2008.

The undersigned vide clarification under reference had clarified that transformation from raw water to packaged drinking water does not involve manufacture under the AVAT Act. As a result, units involved in transformation of raw water into packaged drinking water are not eligible for tax concession under the Assam Industries (Tax Exemption for Pipeline Units) Order, 2005 (hereinafter referred as Pipeline Order, 2005). Further, the undersigned had also stated that such units would not be eligible for tax concession under Assam Industries (Sales Tax Concession) Scheme, 1997 (hereinafter referred as 1997 Scheme). The Hon'ble Gauhati High Court in its interim order dated 16.1.2009 in WP(C) 12/2009 (M/s. N.E. Packaged Drinking Water Manufactures' Association -vs- State of Assam) has stayed the clarification so far as it refers that such units are not eligible for tax concession under 1997 Scheme. However, the Hon'ble High Court made it clear that the clarification so far as it refers that the activity of the transformation of raw water into packaged drinking water is not manufacture, is not being suspended by the interim order.

Therefore, in view of the order of Hon'ble High Court and the clarification given, it is stated that transformation of raw water into packaged drinking water does not involve manufacture. As a result, such units cannot claim any tax concession under Pipeline Order, 2005. Therefore, no entitlement certificate be issued under Pipeline Order, 2005 to such units and if already issued same may be cancelled after giving due opportunity. Further, all Assistant Commissioners of Taxes and Superintendents of Taxes are asked to realize due tax from such units.


Sd/-Sanjay Lohiya,
Commissioner of Taxes, Assam,
Guwahati-6.

Memo No. CTS-14/2008/491-A

Dated Dispur, the 6th May, 2009.

Copy to :-

1. The Principal Secretary to the Government of Assam, Finance (Taxation) Department, Dispur, Guwahati-6 for favour of kind information.
2. The Addl. Commissioner of Taxes/Joint Commissioners of Taxes (All), Head Office for information.
3. The Deputy Commissioners of Taxes (All) for information and necessary action.
4. The Assistant Commissioners of Taxes/Superintendents of Taxes (All) for information and necessary action.
5. Circular file.


Commissioner of Taxes, Assam,
Guwahati-6.

Sanjay Lohiya
06/05/09