

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

ORDER

Dated Guwahati the 18th January, 2010.

No. CTS- 29/2008/148 : C. Gokula Rajan, Area Manager, CSD. Narengi filed an application under section 105 of the Assam Value Added Taxes Act,2003 seeking clarification as to whether 4% VAT is applicable to CSD for the stores under different Schedules procured from various Firms inside and outside the State and sold to unit Run Canteen (URCS) and defence personnel for their personal consumption.

Shri C. Gokula Rajan, Area Manager appeared and placed his submission. He submitted that as per notification No. FTX.70/2007/22 dtd. 27-02-2009, only 4% VAT or lower rates specified in any Schedule to the Principal Act is applicable to CSD. Perused his submission as well as the notification referred to the above. As per the said notification tax payable by the CSD, Government of India on the turnover of sales of taxable goods covered under entry at Sl.No.1 of the Fifth Schedule of the Principal Act imported from outside the State made to the URC or to the defence personnel strictly for their personal consumption, shall be generally at the rate of 4(four) paise in the rupee or at such lower rates as may be specified in any Schedule to the Principal Act.

On perusal of the notification, it appears that 4% rate of tax is specified for goods taxable as per entry at sl. No. 1 of the fifth Schedule of the Assam Value Added Taxes Act,2003. Further lower rates are specified for items under any others Schedule to the Act. Therefore it implies that the goods which are procured from outside and sold through CSD will be

- i) taxable @ 4% if such goods are taxable as per entry at sl. No.1 of the Fifth Schedule.
- ii) taxable at such lower rate if such goods are specified in the other Schedule at such lower rate.

Now after notification No. FTX 55/2005/pt-III/48 dtd. 31-10-2009, the rate of tax on item specified in Second Schedule has been enhanced to 5%. As such it is clarified as below: -

- 1) The rate of tax on goods procured from outside or inside the State and sold through CSD shall be @4% if such goods fall under entry at Sl. No. 1 of the Fifth Schedule.

Contd.2

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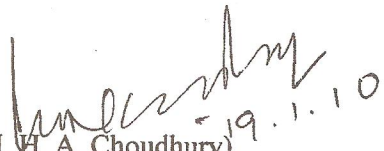
- 2) The rate of tax on goods procured from outside or inside the State and sold through CSD shall be @5% if such goods fall under Second Schedule.
- 3) The rate of tax on goods procured from outside and sold through CSD shall be at lower rate as specified in the Schedule of the Assam Value Added Tax Act,2003 i.e. the goods which are taxable at lower rate such as gold, silver, precious stone etc. whose rates are specified in the Third Schedule at 1%.

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

Memo No. 29/2008/148 -A
Copy to :-

Dated Dispur, the 19th January,2010.

1. The Principal Secretary to the Govt. of Assam, Finance Department, Dispur, Guwahati - 6 for favour of kind information of the Government.
2. The Addl. Commissioner of Taxes/Joint Commissioners of Taxes (All) for information.
3. The Deputy Commissioner of Taxes (All) for information.
4. The Assistant Commissioners of Taxes/Superintendents of Taxes (All) for information.
5. Shri C. Gokula Rajan, Area Manager, CSD. Narengi 1 for information.


(M. H. A. Choudhury),
Addl. Commissioner of Taxes, Assam,
Dispur, Guwahati-6.
