

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

ORDER

Dated: Dispur the 2nd May/2015

NO. CTS-51/2011/273 : M/s. Centenary Distilleries Pvt. Ltd., 1st Floor, Jugal Bazar, F.B., Guwahati-6 filed an application U/s 105, of the AVAT Act, 2003 seeking clarification as to whether Entry Tax can be levied on items like Bottle Cap, sleeves, labels, adhesives, BOPP tap, caramel colour, food flavor and special spirits etc. which the petitioner imports from outside the State of Assam and used in the manufacturing of IMFL. The application is found to be in order, hence admitted.

Shri A.K. More, C.A. appeared on behalf of petitioner and filed his submission. It is informed that the present clarification has been filed after insertion of new entry serial no. 68 in the schedule of the Assam Entry Tax Act, 2008. The entry reads as follows

"68 All other goods not covered by any of the entries of this schedule but included in the schedules of taxable goods attached to the AVAT Act, 2003 (Act No.VII of 2005) excepting raw materials directly used in the manufacture of goods other than those raw materials covered by existing entries of this schedule".

It is clear that after insertion of the entry in the schedule all goods taxable under the AVAT Act, 2003 excepting raw materials directly used in the manufacture of goods other than existing entries of the schedule, had become taxable under the Assam Entry Tax Act @4%. Therefore, exemption from entry tax on goods which are taxable under the AVAT Act, 2003 but are used as raw materials in the manufacture of products has been granted subject to the condition that such goods are not enumerated in any other entries of the schedule. Now, the concept of raw material is indelibly associated with the activity of manufacture and its connotation in popular sense is something which gets transformed into a new commodity during the process of manufacture. So understood, the items bottles caps, sleeves, labels, adhesives and BOPP tap cannot be raw materials for the applicant IMFL manufacturer.

As regard the items caramel colour, food flavours and special spirit the same may be treated as raw material.

However, their taxability under the Assam Entry Tax Act, 2008 shall depend upon further resolution of the question whether these are covered by description of other entries of the Assam Entry Tax Act schedule since the items do not fully reveal their nature.

The clarification petition stands thus disposed.

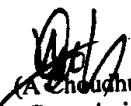
Sd/-
(Dr. Ravi Kota)
Commissioner of Taxes, Assam,
Dispur, Guwahati-6.

Dated Dispur, the 2nd May, 2015.

Memo CTS-51/2011/273-A

Copy to:-

1. The Principal Secretary to the Government of Assam, Finance Department, Dispur for favour of kind information.
2. The Additional Commissioners of Taxes/ Joint Commissioners of Taxes (All), Head Office for information.
3. The Deputy Commissioner of Taxes, (All) for information.
4. The Assistant Commissioner of Taxes, (All) for information.
5. M/s. Centenary Distilleries Pvt. Ltd., 1st Floor, Jugal Bazar, F.B., Guwahati-6 for information.


(A Choudhury)
Joint Commissioner of Taxes, Assam,
Dispur, Guwahati-6.

MCS
02/05/15