

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

ORDER

Dated Dispur, the 1<sup>st</sup> February, 2013.

No. CTS-14/2012/206 : Shri Diganta Das, Village-Guimana, P.O. Nahina, Palashbari, Vijaynagar filed a petition under Section 105 of the Assam Value Added Tax Act, 2003 seeking clarification on the rate of tax applicable on catering services.

Mr. B. Todi, C.A. appeared on behalf of the petitioner and filed his submission. He submitted that the petitioner wants to do catering business wherein he will enter into contracts with his clients involving provision of services along with supply of any goods, being food or any other article of human consumption or any drink in any manner as part of the service. Since this activity is in the nature of composite activity, the Service Tax Act provides that the value of service portion in such a contract shall be 60%. Further, supply of any goods, being food or any other article of human consumption or any drink in any manner as part of a service for cash, deferred payment or other valuable consideration is deemed to be sale of such goods. The applicant therefore should be allowed to take the benefit of deduction on account of the service portion and pay VAT on the remaining portion involving sale of goods or else he can also take a benefit of composition scheme as available under the AVAT Act.

Perused the submission of the petitioner. It appears that the contract of the petitioner involves sale of goods and service. VAT is applicable on the sale of goods and applicable rate shall be as per rate prescribed in different schedule of the AVAT Act, 2003. VAT shall be applicable only on the portion of sale of goods. Therefore, the petitioner is liable to pay tax on the portion which involves sale of food or any other article of human consumption or any drink as per prescribed rate.

Sd/-Dr. J.B. Ekka, IAS,  
Commissioner of Taxes, Assam,  
Guwahati-6.

Dated Dispur, the 05 February, 2013

Memo No. CTS-14/2012/206-A  
Copy to

- 1 The Principal Secretary to the Government of Assam, Finance Department, Dispur, Guwahati-6 for favour of kind information of the Government.
2. The Addl. Commissioners of Taxes/Joint Commissioners of Taxes(All) for information.
3. The Deputy Commissioner of Taxes (All) for information.
4. The Assistant Commissioner of Taxes, Superintendent of Taxes(all) for information.
5. Shri Diganta Das, Village-Guimana, P.O. Nahina, Palashbari, Vijaynagar, for information.

(R.D. Borah),

Joint Commissioner of Taxes, Assam,  
Guwahati-6.

*Handwritten signature and date:*  
4/2/2013