

GOVERNMENT OF ASSAM  
OFFICE OF THE COMMISSIONER OF TAXES:.....ASSAM:.....GUWAHATI

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ORDER

Dated Dispur the 9<sup>th</sup> November/2015.

No.CTS-64/2015/29 : M/s Peyush Traders, Sandhya Lodge, Bara Bazar, Pandu, Guwahati-33 has filed an application under section 105 of the Assam Value Added Tax Act, 2003 seeking clarification as to whether the contract of laundry work including loading and unloading of washed/ soiled linen in trains attracts tax under the Assam Value Added Tax Act, 2003. The application is found to be in order and is therefore admitted for adjudication.

Shri Dhanpat Sethia, Advocate and Authorized Representative appeared on behalf of the petitioner and furnished copies of clarification orders No.CTS-28/2008/294 dated 24.05.2011 and No.CTS-70/2007/51 dated 29.04.2008 pertaining respectively to M/s Prem Kumar & Company, 187, Maharshi Debnath Road, Kolkata and M/s Pest Control India Pvt. Ltd, Latasil, Lamb Road in support of his claim that the contract is of pure labour and service and hence does not attract tax under the Assam Value Added Tax Act, 2003.

Perused the copies of the work order and the documents attached thereto as Annexure-A, Annexure-AI, Annexure-B, Annexure-C, Annexure-D, Annexure-E and Annexure-F. The core factual matrices appear to be as under.

The contractor N.F. Railway, maintains a mechanized laundry at Kamakhya Junction for equipping various trains with washed and clean linen. Now, the actual job of washing and cleaning the soiled linen, transportation of soiled linen to the laundry plant, transportation of clean and washed linen from laundry to the various trains after packaging them in bags has been given in contract to the present petitioner. It is further revealed from the rate schedule incorporated in Annexure-B that items of work described at Sl. No.23, 24, 25, 26 and 27 therein are essentially of supplying goods like brown paper bag, tarpaulin bag, self-adhesive tap, chemicals and detergents whereas items from Sl. No.1 to 22 are of labour and services. Therefore, the contract consists of two clearly severable components :- one of supplying goods and the other of rendering services. The aforementioned copies of clarificatory orders are, therefore, not applicable to the facts of the present case.

Hence in the above mentioned contract, VAT is chargeable in respect of item Sl. No.23 to Sl. No.27 at the prescribed rate in the various Schedules of the Assam Value Added Tax Act, 2003 while other items from Sl. No.1 to Sl. No.22 do not attract tax. Out of the total value of work at Rs.3,19,82,136/-, the taxable sale prices work out at Rs.1,45,46,632/-.

Sd/-  
(Anurag Goel)  
Commissioner of Taxes, Assam,  
Dispur, Guwahati-6.

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Memo No.CTS-64/2015/29-A

Dated Dispur, the 16<sup>th</sup> November, 2015.

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 Peyush Traders, Sandhya Lodge, Bara Bazar, Pandu, Guwahati-33 for information.



(A Choudhury)

Joint Commissioner of Taxes, Assam,  
Dispur, Guwahati-6.

*Handwritten initials and date*  
16/11/15