

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

ORDER

Dated Dispur, the 12th September, 2013.

No. CTS-32/2013/7: M/s ICT Service Management Solutions India Private Limited, Narangi, Guwahati-781026 has filed an application as per provision of section 105 under the Assam Value Added Tax Act, 2003 seeking clarification on the following issues:-

- (1) Is VAT payable on within warranty service charge which they are paid by their customers relating to warranty claims in the state of Assam?
- (2) Will Entry tax apply on all service parts being imported into the State?

Shri Mohan Agarwal, Chartered Accountant appeared on behalf of the petitioner and filed submission. He submitted that the business they are undertaking is purely service activity. However they procure parts and components to honour the warranty commitment for Assam end users who have purchased computers from their client. Such parts and components are procured only to meet up warranty commitment of their client. There is no sale of such parts and components as such parts and components are supplied to the customers free of cost during warranty period.


Perused the submission. It appears that the petitioner supply parts and components to honour the warranty commitment for Assam end users who have purchased computers from their client and against such service they charge service charge from their client. The transaction between customer and the petitioner does not amount to sale as such parts and components are supplied to the customers free of cost during warranty period. As such it is clarified that VAT is not leviable in such transaction. However, the petitioner is procuring parts and components from outside the local area for their use. As such entry tax shall be leviable on the items specified under the Assam Entry Tax Act, 2008 Schedule and petitioner has to use road permit to procure items for use in such type of transaction.

Sd/-Dr. J.B. Ekka, I.A.S.
Commissioner of Taxes, Assam,
Guwahati.

Memo No. CTS-32/2013/7-A
Copy to:-

Dated Dispur, the 13th September, 2013.

1. The Additional Chief Secretary to the Government of Assam, Finance Department, Dispur for favour of kind information.
2. The Addl. Commissioners of Taxes/Joint Commissioners of Taxes (All), Head Office for information.
3. The Deputy Commissioners of Taxes, Zones (All) for information.
4. The Assistant Commissioners of Taxes/Superintendents of Taxes (All) for information and necessary action.
5. M/s ICT Service Management Solutions India Private Limited, Narangi, Guwahati-781026 for information.


(Mrs. R.D. Borah),
Addl. Commissioner of Taxes, Assam,
Guwahati.


13/9/2013