

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

ORDER

Dated Dispur the 26th February, 2014.

No. CTS-50/2011/51: M/S Aristo Industries, Borguri Industrial Estate, Borguri, Tinsukia, Assam has submitted a review petition for determination of disputed question under section 105 of Assam Value Added Tax Act, 2003 relating to rate of tax on "elastic fabric tapes/laces."

Shri. Vivek Goyal, authorised representative of the petitioner appeared. He submitted that elastic fabric tapes/laces possess all the required characteristics of the textile fabric and hence are liable to be covered under the entry no.37 of Schedule-1 appended to Assam Value Added Tax Act, 2003. He also stated that elastic fabric tapes/laces is exempted in West Bengal and submitted the supporting documents.

The relevant documents and submission of the authorised representative perused. It appears from the submission that elastic fabric tapes/laces is made by knitting yarn and rubber thread together on the machines. But all that is woven cannot be termed as textile fabric. Weaving or knitting can't be considered as the sole factor to categorise an item as textile fabric. Apart from elastic fabric tapes/laces a number of goods are produced by weaving viz. hessian cloth, coir mat, metallic net, rexin cloth etc which are not classified as textile.

Moreover textile is produced by twisting fibres into yarns and then knitting or weaving the yarns into a fabric. Yarns in turn are produced from fibres of plant, animal or synthetically. Fabrics are made of two sets of yarn (lengthwise called the warp and crosswise called the weft) or from a single yarn or a set of yarns. But whereas elastic fabric tapes/laces are produced not by weaving yarn through yarn but yarn through rubber threads. Moreover in common parlance tape, ribbon etc. are treated as different item having its own entity and uses. Generally textile fabrics are understood as those which are used to produce different clothes like bedsheets, readymade garments (RMG), table clothes etc. But elastic fabric tapes/laces are used as accessories of cloth and readymade garments (RMG). Therefore, the item is considered as an unspecified item and is covered under entry at Serial No. 1 of Fifth Schedule of the Assam Value Added Tax Act,2003 and is taxable @ 14.5%. The same position was also clarified to the dealer vide our letter no. CTS-63/2005/239.

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

Memo No. CTS- 50/2011/51-A,
Copy to:

1st March
Dated Dispur, the ~~February~~ *February*, 2014.

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 Comissaioners of Taxes, Zones (All) for information.
4. The Assistant Commissioners of Taxes/Superintendents of Taxes (All) for information and necessary action.
5. M/ S Aristo Industries, Borguri Industrial Estate, Borguri, Tinsukia, Assam for information.

[Handwritten Signature]
(Mrs. R.D. Borah),

Addl. Commissioner of Taxes, Assam,
Guwahati.

M.D.S.
28/2/14.