

Sub: Regarding the rate of tax on certain items including Himani Navaratna Oil and Boroplus manufactured by M/S Emami Ltd.

Extract of the Order

As per Entry-21 of Fourth Schedule of AVAT Act/2003, drugs and medicines are taxable at 4% on MRP basis. There is an explanation attached with the entry which states that “the expression drugs and medicines shall not include products capable of being used as cosmetics and toilet preparation including toothpaste, toothpowder, cosmetics, toilet articles and soaps”.

Since the explanation is attached along with the entry, it is clear that the Legislature intended that drugs and medicines which are capable of being used as cosmetics and toilet preparation are to be excluded from this entry.

1. Boroplus Prickly Heat Powder.:The item can be used as a toilet preparation. A person can apply this item as a toilet preparation. Therefore, this item is not covered under Entry-21 of Fourth Schedule and since it is not covered under any other entry of First, Second, Third & Fourth Schedule, therefore, it is covered under Entry-1 of Fifth Schedule and taxable at 12.5%.

2. Sona Chandi Healthy & Fair Ayurvedic Baby Massage Oil.:The item can be used as toilet preparation for massage of babies. Hence, it is not covered under Entry 21 of Fourth Schedule. It is not covered under any other entry of First, Second, Third & Fourth Schedule. Therefore, it is covered under Entry-1 of Fifth Schedule and taxable at 12.5%.

3. Sona Chandi Chawan Prash.: The item is an eatable item and cannot be used as cosmetics or toilet preparation. Hence, it is covered under Entry-21 of Fourth Schedule and taxable at 4% on MRP basis.

4. Sona Chandi Amritprash.: The item is an eatable item and cannot be used as cosmetics or toilet preparation. Hence, it is covered under Entry-21 of Fourth Schedule and taxable at 4% on MRP basis.

5. Goodmorning Ayurvedic Laxative Churna.:It is an eatable item and cannot be used as cosmetic and toilet preparation. Hence taxable at 4% on MRP basis under Entry-21 of Fourth Schedule

6. Boroplus Healthy and Skin Ayurvedic Cream.:It is capable of being used as cosmetics and toilet preparation. It is not covered any other entry of First, Second, Third & Fourth Schedule. Therefore, it is covered under Entry-1 of Fifth Schedule and taxable at 12.5%.

7. Navaratna Ayurvedic Oil.:The item is capable of being used as a toilet preparation. It is not covered any other entry of First, Second, Third & Fourth Schedule Therefore, it is covered under Entry-1 of Fifth Schedule and taxable at 12.5%.

8. **Navaratna Extra Thanda Ayurvedic Oil.:** The item is capable of being used as a toilet preparation. Hence it is not covered any other entry of First, Second, Third & Fourth Schedule. Therefore, it is covered under Entry-1 of Fifth Schedule and taxable at 12.5%.
9. **Boroplus Winter Body Lotion.:**The product is capable of being used as toilet preparation or cosmetic. It is not covered by any other entry of First, Second, Third & Fourth Schedule. Therefore, it is covered under Entry-1 of Fifth Schedule and taxable at 12.5%.
10. **Menthoplus Pain Balm.:**The item is not capable of being used as a cosmetic or a toilet preparation. Hence taxable at 4% on MRP basis under Entry-21 of Fourth Schedule.
11. **Himani Fast Relief.:**The item is not capable of being used as a cosmetic or a toilet preparation. Hence taxable at 4% on MRP basis under Entry-21 of Fourth Schedule.
12. **Royal Honeybee.:**The item is manufactured under drug license. However, honey is a natural product and used as an eatable item in common use. It may have some medicinal property like many other items found in nature. Normally honey is used as an eatable item and therefore, it cannot be considered as a medicine. The dealer has only packed natural honey and the item does not involve any preparation of any medicine. Even, in the packaging of the item no medicinal use is mentioned. It is not covered any other entry of First, Second, Third & Fourth Schedule. Therefore, it is covered under Entry-I of Fifth Schedule and taxable at 12.5%.

Sd/-(Sanjay Lohiya),
Commissioner of Taxes, Assam,
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