

No.CTS-78/2007/146

Dated Dispur, the 3rd July, 2008

Sub: Rate of tax on 'Aspoline' manufactured by M/S Assam Chemical & Pharmaceuticals (P) Ltd., Guwahati

Extract of the Order

The product 'Aspoline' is manufactured under a drug licence issued by appropriate authority. However, as per the explanation given in the entry 21 of the Fourth Schedule of Assam Value Added Tax Act,2003, the expression "drugs and medicines" shall not include products capable of being used as cosmetics and toilet preparation including tooth-paste, tooth powder, cosmetics, toilet articles and soaps.

The product is used since long as an antiseptic cream and many use it as a cosmetic. The advertisement of the product also declared that it makes the skin soft and beautiful and can also be used for cut and burn. The explanation given with the entry at Sl. No. 21 restricts inclusion of such products as drugs & medicines. Here mere capability of use of the products as cosmetics/toilet preparation has been specifically inserted to disqualify the product in its classification within the entry at Sl.No.21.

In view of the above, the product 'Aspoline' does not fall under the entry at Sl. No. 21 of the Fourth Schedule, but taxable @12.5% as per entry at Sl.No.1 of the Fifth Schedule.

Sd/-(Sanjay Lohiya)
Commissioner of Taxes, Assam
Dispur, Guwahati-6