

Sub: Clarification on the rate of tax applicable to Dabur Product namely “Red Tooth Powder (Lal Danta Manjan)”.

**Extract of the Order**

As per entry at Sl. No. 21 of the Fourth Schedule of Assam Value Added Tax Act, 2003, drugs and medicines are taxable @ 4% on MRP basis. There is an explanation attached with the entry which states that “the expression drugs and medicines shall not include product capable of being used as cosmetics and toilet preparations including tooth paste, tooth powder, cosmetics, toilet articles and soaps”. In the entry it is specifically mentioned that drugs and medicines which are capable of being used as cosmetics and toilet preparations are to be excluded from this entry.

“Dabur Lal Danta Manjan” being an item manufactured under drug license but it is tooth powder included in the above explanation. Hence the item is not covered under entry at Sl. No. 21 of the Fourth Schedule and since it is not covered under any entry of First, Second, Third & Fourth Schedule, therefore, it is covered under entry at Sl. No. 1 of the Fifth Schedule and taxable @12.5%.

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