

No. CTS-16/2005/471

Dated Dispur, the 5th January, 2006.

Sub : Rate of tax on Bentonite powder

Extract of the order

Bentonite powder used in preparing moulds for castings is a chemical as held by Hon'ble Gujarat High Court in the case of Vijay Foundry and Machinery Works Vs. State of Gujarat [(1992) 84 STC 152 (Gujarat)]. Therefore, bentonite powder cannot be treated as clay as contended by the petitioner. Accordingly, 'Bentonite powder' is an unclassified item taxable @ 12.5% under entry at Sl.1 of the Fifth Schedule of the Assam Value Added Tax Act, 2003.

Sd/-B. Kalyan Chakravarthy,
Commissioner of Taxes, Assam,
Guwahati.
