

**ORDER OF CLARIFICATION MADE BY SHRI RAMENDRA JAKHU,  
FINANCIAL COMMISSIONER & PRINCIPAL SECRETARY,  
GOVERNMENT OF HARYANA, EXCISE AND TAXATION  
DEPARTMENT, UNDER SECTION 56(3) OF THE  
HARYANA VALUE ADDED TAX ACT, 2003**

**Queriest: M/s Haryana State Small Scale (R.I.), Dressing Manufacturing Association, Rohtak**

M/s Haryana State Small Scale (R.I.), Dressing Manufacturing Association, Rohtak is a body of dealers and have applied under Section 56(3) of the Haryana VAT Act for clarification as to the rate of tax leviable under Haryana VAT Act on Handloom Bandage, Non-sterilized and un-medicated. The applicant has relied on judgment delivered by Sales Tax Tribunal Hayana in STA No.263 of 1972-73 and orders passed by Jt. ETC(Appeals), particulars of which have not been furnished. Plea of the applicant is that Handloom Bandage, non-sterilized and unmediated are tax free goods being covered under Schedule 'B' of the Haryana VAT Act, 2003. Judgment relied by the applicant has been delivered under the provisions of Punjab General Sales Tax Act, 1948 which was applicable in those times. As to the merits of the case, Non-sterilized and un-medicated handloom bandages are specified goods which are meant for application in specified areas viz for the purposed dressing and hence are not covered under relevant entry of Schedule 'B' viz entry 51 of the Haryana VAT Act which provides for exemption of VAT on **all varieties of cotton, woolen or silken textiles including rayon, artificial silk or nylon but not including such carpets, druggets, woolen durees, cotton floor durees, rugs and all varieties of dryer felts on which additional Excise Duty in lieu of sales tax is not levied.** Moreover, as per Central Excise Tariff of India bandages are covered under tariff item 3005 9040 of chapter 30 pertaining to Pharmaceutical Products viz **Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or**

**veterinary purposes.** From the description of goods given in the aforesaid tariff item it is more than clear that the even non-sterilized and un-medicated bandages put up in forms or packings for retail sale for medical or surgical purposes are covered under the pharmaceutical products and hence attract VAT at the rate leviable on pharmaceutical products. Further, Dressings are included in entry 25 of Schedule 'C' which includes **Bulk drugs, drugs, medicines, vaccines, medicated ointments produced under drug licence, light liquid paraffin of IP grade, syringes, dressings, glucose-D, oral re-hydration salt, medical equipments/devises and implants.** It is not necessary that dressings should be sterilized and medicated to be covered under the aforesaid entry. Hence VAT on handloom bandages non-sterilized and un-mediated is leviable @4% being covered under entry 25 of Schedule 'C' of the Haryana VAT Act. Matter is clarified accordingly.

Chandigarh  
Dated: 18.01.10

(RAMENDRA JAKHU)  
Financial Commissioner & Principal Secretary  
to Govt. Haryana, Excise & Taxation Department

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