

**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 Cadbury India Limited, Khandsa Road, Gurgaon TIN No. 06271304505.**

M/s Cadbury India Ltd. Khandsa Road Gurgaon, a dealer registered under Haryana VAT Act holding TIN No. 06271304505, is engaged in manufacture and sale of confectionaries and chewable tablets and has sought clarification as to whether the chewable tablets having brand name "Halls Mentholypus", an Ayurvedic proprietary medicine taken to get relief from cough and cold is covered under entry No. 25 of schedule 'C' appended to the Haryana VAT Act viz" **Bulk drugs, durgs, medicines, vaccines, medicated ointments produced under drug licence, light liquid paraffin of IP grade, syringes, dressings, glucose -D, oral re-hydration salt, medical equipments/devices and implants.(substituted w.e.f. 1.1.2006)**". In the statement of relevant facts having bearing on the aforesaid question the queriest has explained that the company is holding drug licence No. AUS 547 dated 1.4.2003 from Licensing Authority and Director of Indian System of medicine and Homeopathy Banglore and has sought approval to manufacture the Ayurvedic proprietary medicine under brand name Hall Mentholypus under the aforesaid licence. As per the approval, Product Specification and Composition of the product is as under:

Product: Haolls Mentholypus

Ayurvedic Proprietary Medicine

Wt Tablet: 2.8 gm

Shape of Tablet: 22 mm x15 mm x 9.6 mm

Composition	Medicinal Value
Pudina(Menthol) (Mentha piperite)	Active agent
Nilgiri Tailam(Eucalyptus	Active agent

Oil)(Eucalyptus globulus)	
Shakara (Sucrose/Cane Sugar)	Base
Shakara(Liquid Glucose)	Base
Water	Base
Nimbuka Satwam	For taste
Soyabean oil	Lubricating agent

In the approval licence the Method of Preparation, Indication and Dosages and Packing Details too have been explained and the manufacturer claims that the medicine provides rapid relief from cold and cough. The approved licence further explains that since the medicine has no toxic affect, it can be taken until the patient gets relief.

The matter has been examined. In the Webster Comprehensive Dictionary (Encyclopedia Edition), word “ medicine” reads as “ **Medicine - A substance possessing or reputed to possess, curative or remedial properties.** Orrisa High Court, in the judgement cited as Dabur India Ltd. Vs. CST (1997) 104 STC 198(Ori), has further stated that the word “medicine” in its ordinary sense as applied to human ailments means something which is administered either internally or externally in the treatment of disease or the relief of sickness.The

Court has further explained that in its popular sense, medicine is a remedial agent, a substance which may be sold in various forms such as liquid, tablets, capsules or powder , which is administered in the treatment of disease and which has the property of curing or remedying disease. As explained by the applicant, the company has proper manufacturing licence, has sought proper approval to manufacture the product as ‘**Ayurvedic proprietary medicine**’ and has ingredients like Pudina, Nilgiri Tailam which have medicinal value and act as active agents. As per the indication and dosages the tablet provides relief in cough and cold and is being highly consumed by the public. In view of the aforesaid facts the product Halls Mentholypus has all the ingredients of

medicine having curative and remedial effect. Further, the product is being manufactured under proper drug licence from the licencing authority and is covered under term medicine of entry 25 of schedule 'C' reproduced above viz '**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/devices and implants'** and hence attracts VAT @ 4%.

Matter is clarified accordingly.

Chandigarh

Dated

(RAMENDRA JAKHU)

Financial Commissioner & Principal Secretary
to Government, Haryana, Excise and Taxation Department.

Issued vide letter No.293-295/ST-1,Dated 5-3-2010