

**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**

Querist: M/s Ankit Polyweave Industry, Bhiwani.

M/s Ankit Polyweave Industry, Bhiwani, is manufacturer of Hospital furniture and accessories and has applied for clarification under section 56 (3) of the HVAT Act on the issue whether the product manufactured by their unit is covered under entry 25 of schedule C of the HVAT Act under the term **medical equipment/devices and implants** etc. The querist has furnished a comprehensive list of hospital accessories and furniture manufactured by him and include items like recovery bed, instrument trolley, bedside locker, instrument cabinet, revolving stool, patient's trolley, attendant bed, kick bucket, ICU bed, examination table, ward bed and general bed etc. Plea of the querist is that since the items manufactured by him are used only in hospitals, the same are covered under entry 25 of schedule C under the term medical equipments, devices and implants etc. and hence attract VAT @4%. Entry 25 of schedule C of the HVAT Act is reproduced as under:

“25. Bulk Drugs, drugs, medicines, vaccines, medicated ointments produced under drug license, light liquid paraffin of IP grade, syringes, dressings, glucose – D, oral re-hydration salt, **medical equipments/devices and implants.**”

As per the Merriam Webster's Collegiate Dictionary “medical” means relating to, or concerned with physicians or the practice of medicine or requiring or devoted to medical treatment.

Further, in Encyclopedia Britannica, it has been explained that **Medical Equipment** is designed to aid in diagnosis, monitoring or treatment of medical conditions. These devices are usually designed with rigorous safety standards. In the Encyclopedia Britannica, medical equipments have been further categorized as Diagnostic Equipments like ultrasound and MRI machines, x-ray machine etc., Therapeutic Equipments like medical-lasers,

infusion pumps, Life-support Equipment like ventilators, heart-lung machines, Medical Monitor and Medical Laboratory Equipments etc.

Further under tariff item No. 9018, 9019, 9021 and 9022 of chapter 90 of Central Excise Tariff of India, under heading **optical, photographic and surgical instruments**, an exhaustive list of all such equipments/devices and implants has been given. Under these tariff items only the equipments, devices and implants which are directly used in medical activity have been listed. For example electro-cardiographs, endoscopes, fiberoscopes, laparoscopes, incubators, ultrasound-scanner, electro-encephalographs, echo-cardiographs, ophthalmoscopes, tono-meters, stethoscopes, surgical tools etc. (under item No. 9018). Mechanotherapy appliances, ozonotherapy, oxygen therapy and aerosol therapy apparatus, artificial respiration or other therapeutic respiration apparatus (under item No. 9019) orthopaedic appliances, artificial teeth, hearing aids, pacemakers, x-ray machine, radiation generating units (under tariff item No. 9022) are mainly the items listed under these tariff items. As explained above, products manufactured by the applicant are exclusively hospital accessories and furniture. All such items, though used in hospitals, are not directly used in process of medical treatment, and hence are not covered under medical equipments/devices and implants as is clear from items listed under tariff items under the Central Excise Tariff given above. This conclusion is further substantiated by the explanation of term Medical Equipment in Encyclopedia Britannica, discussed in detail in earlier paras. In view of the facts explained above, the items manufactured by the applicant are not covered under entry 25 of schedule C appended to the HVAT Act and hence concessional VAT @ 4% is not attracted on these items. Matter is clarified accordingly.

Chandigarh
Dated:

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