

From Excise & Taxation Commissioner,  
Haryana, Panchkula.

To All the Dy. Excise & Taxation Commissioner (ST),  
in the State of Haryana.

Memo No. 1618 /ST-I,  
Panchkula, dated the 31/07/2013

**Subject: Circulation of Clarification-M/s Apple Generators, Faridabad.**

**MEMORANDUM**

A copy of clarification order issued by the Principal Secretary to Government of Haryana, Excise & Taxation Department under section 56(3) of Haryana Value Added Tax Act, 2003 sought by M/s Apple Generators, Plot No. 104, Sector 24, Faridabad holding TIN No. 06871335118 is sent herewith for information and necessary action by all the concerned.

*Ram Raj 29-7-13*  
Superintendent (Sales Tax)  
for Excise & Taxation Commissioner, Haryana.

Endst. No. 1619 /ST-I, Panchkula, dated the 31/07/2013

A copy alongwith a copy of clarification is forwarded to the following for information and necessary action:-

- Regd.
1. M/s Apple Generators, Plot No. 104, Sector 24, Faridabad -121001.
  2. Jt. Excise & Taxation Commissioner (Divison/Range) Ambala, F/Bad, Gurgaon and Hisar.
  3. All Joint Excise & Taxation Commssioners (Appeals) in the State of Haryana.
  4. Senior Deputy Accountant General (Audit), Haryana, Chandigarh.
  5. Dy. Excise & Taxation Commissioner (Vigilance), Haryana Vigilance Bureau, Sector-6, Panchkula.

*Ram Raj 29-7-13*  
Superintendent (Sales Tax)  
for Excise & Taxation Commissioner, Haryana.

Endst. No. 1620 /ST-I, Panchkula, dated the 31/07/2013

A copy alongwith a copy of clarification is forwarded to the following in the Head Office for information and necessary action:-

1. All Addl. Excise and Taxation Commissioners
2. Jt. Excise and Taxation Commissioners
3. Jt. Director (L)-I and II
4. Dy. Excise and Taxation Commissioner
5. DA-I and II
6. DDA-I & II
7. Superintendent (C) for sending E-mail to all the DETCs(ST) and for uploading on website.
8. ST-II only (For adding in The Annual Sales Tax Circular, 2013).

*Ram Raj 29-7-13*  
Superintendent (Sales Tax)  
for Excise & Taxation Commissioner, Haryana.

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ORDER OF CLARIFICATION MADE BY SHRI HARDEEP KUMAR, IAS,  
PRINCIPAL SECRETARY TO GOVERNMENT OF HARYANA,  
EXCISE & TAXATION DEPARTMENT,  
Under Section 56(3) of the Haryana Value Added Tax Act, 2003  
To M/s. Apple Generators, Faridabad


M/s Apple Generators, Faridabad (Tin: 0687133518)  
(here-in-after referred to as the applicant) has sought clarification  
under Section 56 (3) of the Haryana Value Added Tax Act, 2003  
(here-in-after referred to as the Act) on the following issues:

- a) Whether sales tax is applicable if power generators are provided for rental to another party within Haryana or outside the state of Haryana?
- b) If applicable in which section of the HVAT or CST Act this entry falls?
- c) What is the rate of tax on such rental in the respective Acts?

2. As per the interpretation and understanding of the applicant, the applicant is engaged in renting out of DG Sets to different persons within the State and outside the State of Haryana and presently charging VAT @ 12.5 % on rent received from them. It is also admitted fact that the applicant treats the rent received as sale involving transfer of the right to use of the DG Sets to different persons against considerations. The rental receipts of the applicant are liable to tax being the consideration received for the transfer of the right to use being duly covered under the definition of sales as contained in 2 (ze) of the Haryana VAT Act 2003.

3. The matter has been examined. In this regard a clarification on the identical issue has already been issued by the department to M/s Hewlett Packard Financial Service India (P) Ltd Gurgaon vide order dated 15.12.2006 (also available on official website [www.haryanatax.com](http://www.haryanatax.com) under the heading "Clarifications") clarifying that taxable event is the transfer of right to use goods and the rate applicable to transfer of right to use goods is the rate applicable on sale of such goods. Further taxable quantum and liability to pay tax is defined in section 3 of the Act. In the present case the applicant is transferring the right to use of the DG Sets and the DG Set is an unclassified item attracting VAT @ 12.5% as already clarified to M/s Bhaskar Gensets Pvt Ltd Udyog Vihar, Phase - V, Gurgaon (also available on official website [www.haryanatax.com](http://www.haryanatax.com) under the heading "Clarifications"), hence, the rate of tax applicable on rental receipts of DG Sets is 12.5%. So far as the rate of tax on inter-state sale is concerned the rates applicable on the rental income shall be the same as rates applicable on the sales of DG Sets in the course of inter-state trade and commerce under the CST Act.

The matter is clarified as above.



(HARDEEP KUMAR)

Dated: 18.7.2013

Principal Secretary to Government of Haryana,  
Excise & Taxation Department

