

**ORDER OF CLARIFICATION MADE BY SHRI RAMENDRA JAKHU, I.A.S.,  
FINANCIAL COMMISSIONER & PRINCIPAL SECRETARY,  
GOVERNMENT OF HARYANA, EXCISE & TAXATION DEPARTMENT,  
UNDER SECTION 56 (3) OF THE HARYANA VALUE ADDED TAX ACT, 2003 TO  
M/s. BANDO (INDIA) PRIVATE LIMITED, PLOT NO.255, SECTOR-7, IMT  
MANESAR, GURGAON-122050.**

M/s. Bando (India) Private Limited, Gurgaon has sought clarification on the following issue:

*“Whether Power Transmission Belts, Variable Speed Belts and Polyurethane Belts manufactured and sold by the applicant are covered in Entry 11 and Sub Entry 13 of Entry 24 of Schedule C of the Haryana Value Added Tax Act, 2003 and liable to tax accordingly?”*

2. Brief facts of the case are that the applicant is a manufacturer of power transmission belts, variable speed belts and polyurethane belts in Gurgaon and sells these products to various auto manufacturers and dealers and these belts are used in power transmission. Further these belts are also used in agriculture sector in pumps etc. During the course of personal hearing it was submitted by the applicant’s representatives that the belts being manufactured by them are nothing but V belts and transmission belts and thus fall in the above mentioned entries contained in Schedule C and liable to tax @ 5%. Support was also taken of a decision of the Hon’ble Punjab & Haryana High Court delivered in the case of State of Punjab and another versus Federal Gogul Goetze (India) Limited, reported as [2011] 43 VST 100 (P&H), wherein it was held that the normal test to be applied for classifying a fiscal entry is the common parlance test and if the entry is covered by a specific entry, the residual entry cannot be invoked.

3. The issue has been considered and examined in the light of the submissions made by the applicant and also the provisions contained under the Act. Entries of Schedule C taken support of by the applicant are reproduced as below:

**Entry 11:** *“Beltings”*


**Entry 24: Sub Entry (13):** *“Conveyor Belts, V Belts, Transmission Belts”*

4. When looked into the above then Entry 11 appears to be a larger entry covering all types of beltings, but sub entry 13 of main entry 24 is limited to “conveyor belts, V belts and transmission belts” only. Entry 24 as a whole

contains names of various goods which are primarily used as industrial aids for example: cutting tools (sub entry 1); spanners (sub entry 4); die handle (sub entry 6); gasket (sub entry 10); gauges for measuring and checking instruments (sub entry 19); oil seals, O rings, rubber gasket (sub entry 24) etc etc. Thus the goods covered in Entry 24 are more or less industrial or intermediate goods used in providing help in various ways. Conveyor belts, V belts and transmission belts included in this entry are thus serving the similar purpose as these are used for transmission or conveyor purposes only. Further entry 11 relating to "beltings" is a special entry in itself in Schedule C and all types of belts can be said to be covered under this entry.

5. The products manufactured by the applicant are claimed to be transmission belts used in auto sector or other agricultural machinery and thus are covered in the larger entry No.11 relating to beltings. Further the decision of the Hon'ble Punjab & Haryana High Court relied upon by the applicant helps him in a sense that when the products are covered in a specific entry (entry 11 in this case) then no other entry can be invoked in fiscal matters.

6. Therefore, in view of the above, it is clarified that the Power Transmission Belts, Variable Speed Belts and Polyurethane Belts manufactured and sold by the applicant as transmission belts in common parlance are covered in main Entry 11 pertaining to "beltings", and also in sub entry 13 of main entry 24 of Schedule C pertaining to "conveyor belts, V belts, transmission belts" appended to the Haryana Value Added Tax Act, 2003 and liable to tax accordingly.



(RAMENDRA JAKHU)

Chandigarh  
Dated: 08.02.2012

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

From

Excise & Taxation Commissioner,  
Haryana, Panchkula.

To

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

Memo No. <sup>25</sup>1/ST-I,  
Panchkula, dated the 6/3/2012

**Subject: Circulation of Clarification-M/s Bando (India) Private Limited, Plot No. 255, Sector-7, IMT Manesar, Gurgaon-122050.**

**MEMORANDUM**

A copy of clarification order issued by the Financial Commissioner & Principal Secretary to Government Haryana, Excise & Taxation Department under section 56(3) of Haryana Value Added Tax Act, 2003 sought by M/s Bando (India) Private Limited, Plot No. 255, Sector-7, IMT Manesar, Gurgaon is sent herewith for information and necessary action by all the concerned.

*AWB 22/11/12*  
Superintendent (Sales Tax)

for Excise & Taxation Commissioner, Haryana.

**Endst. No. 252 / ST-I, Panchkula, dated the 6/3/12**

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

- Regd.**
1. Sh. Satish Kumar Gupta, Advocate, M/s Bando (India) Private Limited, Plot No. 255, Sector-7, IMT Manesar, Gurgaon-122050.
  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.

*AWB 22/11/12*  
Superintendent (Sales Tax)

for Excise & Taxation Commissioner, Haryana.

**Endst. No. 253 / ST-I, Panchkula, dated the 6/3/2012**

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, 2012).