

From

Excise & Taxation Commissioner,
Haryana, Panchkula.

To

All the Dy. Excise & Taxation Commissioners (ST),
in the State of Haryana.Memo No. 1994/ST-I,
Panchkula, dated the 11/09/2013**Subject: Circulation of Clarification-M/s Shri Balaji Bricks Company, Village Charnia, Tehsil Kalka, District Panchkula.****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 Shri Balaji Bricks Company, Panchkula holding TIN 06332507854 is sent herewith for information and necessary action by all the concerned.

Ram Raj
Superintendent (Sales Tax)
for Excise & Taxation Commissioner, Haryana.

Endst. No. 1995 /ST-I, Panchkula, dated the 11/09/2013

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

Regd.

1. M/s Shri Balaji Bricks Company, Village Charnia, Tehsil Kalka, District Panchkula.
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
Superintendent (Sales Tax)
for Excise & Taxation Commissioner, Haryana.

Endst. No. 1996 /ST-I, Panchkula, dated the 11/09/2013

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
Superintendent (Sales Tax)
for Excise & Taxation Commissioner, Haryana.

**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. Shri Balaji Bricks Company Village Charnia,
Tehsil Kalka, District Panchkula.**

M/s. Shri Balaji Bricks Company Village Charnia, Tehsil Kalka, District Panchkula (TIN: 06332507854) (here-in-after referred to as the applicant), has sought clarification u/s 56(3) of the Haryana Value Added Tax Act, 2003 (here-in-after referred to as the Act) on the issue pertaining to ***calculating the number of Ghoris in a brick kiln having High Draft Kiln technology.***

2. As per the statement of facts, the applicant is a brick kiln owner and has installed a High Draft Brick Kiln (HDBK) in Panchkula district. He has opted to pay lump sum tax under rule 47 of the Haryana Value Added Tax Rules, 2003 (here-in-after referred to as the Rules) and presently paying lump sum tax by treating the BKO in "B" category as according to him 27 Ghoris are installed. It is submitted by the applicant that in Brick Kiln the depth of the vessel i.e. distance between the outer and inner wall generally measures 31.5 feet and the Ghoris (columns) are made in the vessel. A brick generally measures 9 inches length and 4.5 inches width. In Low Draft Technology Kiln or in traditional kiln, a Ghoris is prepared by laying longer side of one brick horizontally and placing the other bricks in its side and the next layer of bricks is placed on the top of these bricks. And a distance of about 4.5 to 5 inch is maintained between any two such Ghoris (columns). But in a HDBK two bricks of 9" each are kept horizontally in the same line (i.e 9"+ 9") and other two bricks are kept side by side to them while the next layer of the bricks are placed on the top of these bricks. A space of about 4.5"to 5" inch is maintained between two

such Ghoris (columns). It is contended by the applicant that by putting two bricks horizontally in a column and then separating the next column with a space of 4.5 inch the number of Ghoris are practically reduced to 17 only and thus they are liable to pay lump sum VAT under category "C" instead of category "B". It is further claimed by the applicant that in the light of the definition of "Ghori" given in the explanation added to the sub rule (1) of Rule 47 of the Rules, one Ghori is of 14" length irrespective of the number of bricks placed in a Ghori. It is his version that the total length of the vessel of the kiln which is 31.5 feet in the case of the applicant, if divided by 14 inch for one Ghori, then only 17 Ghoris can be considered to have been placed in the kiln by the applicant and hence the correct category to pay lump sum tax will be "C" and not "B" under which he is presently paying VAT.

3. The issue has been examined. The provision relating to lump sum scheme in respect of brick kiln is contained in Rule 47 of the Rules. Lump sum rates are prescribed keeping in view the number of Ghoris installed in a brick kiln. The greater the number of Ghoris the higher the lump sum tax rate. Further, a Ghori has been defined in an explanation contained in Sub Rule 1 of Rule 47 which is reproduced as follows:-

Explanation: A Ghori is vertical column of brick of width equaling the length of a brick separated from the next vertical column by distance of about 4 inch to 5 inch and number of Ghori is the number of vertical column of bricks capable of being accommodated between the inner and outer wall of the vessel of the brick Kiln over its full length.

