

**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**

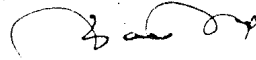
Querist: M/s Osaw Industrial Products Pvt. Ltd., Osaw Complex, Jagadhri
Road, Ambala Cantt., holding TIN No. 06581031813

The applicant M/s Osaw Industrial Products Pvt. Ltd., Osaw Complex, Jagadhri Road, Ambala Cantt., holding TIN No. 06581031813 has sought clarification as to whether Automatic Weighing and Bagging Machine is covered under entry 62 of schedule C viz. Plant and Machinery. The Automatic Weighing and Bagging Machine is an assemblage of Storage Bin, a grain/seed feeding valve, a weighing system and a Control Panel and is used for packing of grain/seed in bags of desired weight and specification. Thus, the pure and simple purpose of this machine is to pack the grain/seed in bags of desired weight and specification. Entry 62 of Schedule C pertains to Plant and Machinery. According to Chambers 21st century Dictionary the word Plant in its aforesaid technical sense means the building, equipments and machinery used in manufacturing or production industries.

As per Ox Ford English Reference Dictionary (new) the word plant means a machinery, fixture used in an industrial process. Industrial Machinery, as understood in common parlance, is any contrivance run by mechanical process or automation used in industry or factory where manufacturing or processing of goods takes place.

Thus, "plant and machinery" connotes equipment and machinery used in manufacture/production or processing of goods. Word manufacture has further been defined under section 2(x) of the Haryana VAT Act, 2003 and means **processing of goods resulting into production of different commercial goods including bye- products and waste products.** Further, it has been made clear through a Note that every processing of goods may not result into different commercial goods. From combined reading of all these interpretations and definitions it is clear that **only a machinery which is used for processing of goods resulting into production of different commercial goods including bye-products and waste products is covered under the definition of plant and machinery under the Haryana VAT Act, 2003.** However, as discussed above, Automatic Weighing and Bagging Machine is used simply for packing of grain/seeds in bags of desired weight and specification and this machine is not used for processing of goods resulting into production of different commercial goods since grains/seeds remain grain or seed

even after packing. Further, these machines may be used by traders and commission agents as well for packing of food grains and hence the Automatic Weighing and Bagging Machine doesn't meet the requirement of 'Plant and Machinery' discussed above and hence is not covered under entry 62 of schedule C viz. 'Plant and Machinery'. It is an unclassified item liable to be taxed @12.5% under the Haryana VAT Act, 2003. The matter is clarified accordingly.



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

Chandigarh
Dated: 05-11-2008