

**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 Pragati Hightech Products Pvt. Ltd., Pansara District Yamuna Nagar.

The querist M/s Pragati Hightech Products Pvt. Ltd., is a unit registered under the Haryana VAT Act holding TIN No. 06321612016 and is engaged in the business of manufacture and sale of Specialty Composite Panel Products like LVL Doors, LVL Windows, Door-frames, Fire Check Doors and Shuttering Slates etc. and is not a plywood unit covered under lump-sum scheme as per provisions of Haryana VAT Act and Rules thereunder. A clarification to that effect was issued by the department under section 56(3) of the Haryana VAT Act vide clarification order No. 2448, dated 11.09.2007. In the aforesaid clarification it was clarified that the unit is not a plyboard manufacturing unit covered under lump-sum scheme and, instead, the same is a composite unit engaged in manufacture of specialty composite panel products. The querist supplies its products like LVL Doors, LVL Windows, LVL Door frames and Compreg Truck Flooring composites etc. to the manufacturing units for use in manufacture by such units and have sought clarification as to whether the purchasers who have made purchases from the applicant unit for use in manufacture are entitled to issue D-1 forms to the querist in the year 2004-05, 2005-06 and 2006-07 in view of the fact that he is not a lump-sum dealer as clarified by the department vide clarification referred above.

The matter has been examined. As per provisions of section 7(3)(a) of the Haryana VAT Act and Rule 17(1) of the Haryana VAT Rules an authorized dealer is entitled to purchase goods from a VAT dealer against production of form D-1 at concessional rate of tax for the purposes prescribed therein viz. for use in manufacture, including packing of goods so manufactured, for sale, use in Tele-communication net work, use in mining or in generation or distribution of electricity or any other form of power. The department, in view of clarification order referred above, has found the applicant unit not a lump-sum dealer viz. plywood manufacturer covered under rule 51 of the Haryana VAT rules and hence is a VAT dealer and the restrictions applicable on lump-sum dealer are not applicable in case of the querist. Accordingly, the purchasers of the applicant dealer, who are authorized persons, are very much entitled to issue D-1 forms to the querist for purchases made by such dealers from the applicant firm for the purposes prescribed therein, as in case of other VAT dealers. Matter is clarified accordingly.

(RAMENDRA JAKHU)

Chandigarh
Dated: 08.05.2009

Financial Commissioner & Principal Secretary
to Govt. Haryana, Excise and Taxation Department.

Issued vide letter No. 643-45/ST-I, dated 11.05.2009