

**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 Mars International Auto Corporation, Red Square Market,
Hisar**

The querist, M/s Mars International Auto Corporation, Red Square Market, Hisar holding TIN No. 06641535404 has sought clarification under section 56(3) of the Haryana VAT Act regarding rate of tax on electric bicycles, its components and spare parts. The querist is engaged in the business of importing complete knocked down unit (CKD) of electric bicycles and assembles the same. Plea of the querist is that tax on bicycles is leviable @4% vide entry 12 of schedule C of the Haryana VAT Act. Entry 12 of schedule C includes **Bicycles, Tricycles, Cycle Rickshaw and parts thereof**. Further plea of the querist is that electric bicycles are also covered under entry 75 of schedule C of the Haryana VAT Act, which reads as under :-

Renewable Energy Device, Components and Spare parts thereof.

The point has been examined. Dictionary meaning of bicycles is “a two wheeled vehicle propelled by pedals”. However, electric bicycles are not propelled by pedals. Further, in trade parlance a bicycle connotes the sense of an ordinary bicycle propelled by pedals and not an electric bicycle that runs on rechargeable battery and hence electric bicycle is not covered under entry 12 of schedule C. Further, renewable energy devices are the devices through which one form of energy is stored and transformed into other forms of energy viz. solar devices, windmills, agricultural and municipal waste conversion devices producing energy etc. Electric bicycles or other two wheelers that run on batteries are not covered in that entry and hence electric bicycles, its components and spare parts neither fall under entry 12 of schedule C of the Haryana VAT Act or entry 75 of schedule C of the Haryana VAT Act and hence attract VAT @12.5%, being unclassified goods. Matter is clarified accordingly.

Chandigarh
Dated :27.06.2008

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

Issued vide letter No. 1600-02/ST-I , dated 10.07.2008