

Order of clarification under section 56(3) of HVAT Act, 2003 on the application of M/s Haryana Tourism Corporation, Oasis Tourist Complex , G.T.Road, Karnal.

This is an order of clarification under section 56(3) of Haryana Value Added Tax Act, 2003 on the application of M/s Haryana Tourism Corporation, Oasis Tourist Complex, Karnal. The clarifications sought is :

“Whether fruit juice squeezed from fresh fruits sold in open glasses is tax free under Haryana Value Added Tax Act, 2003.”

The facts as narrated by the applicant in the application are as follows:-

“The dealer corporation will be selling fresh fruits juice squeezed from fresh fruits, which is neither processed nor placed in any tin or sealed container. In our opinion the intention of legislature is to levy a tax on those class of this item which are either processed, preserved or packed.”

2. The issue has been examined in the light of the Schedule B appended to Haryana Value Added Tax Act and notification No.S.O.50/H.A.6/2003/S.7 dated 1.4.2003 as amended vide notification No.S.O.92/H.A.6/2003/S.7 DATED 8.7.2003.

3. At Sr. No.5 of schedule ‘B’ appended to HVAT Act, “fresh fruits” have been included in the category of exempted goods. Juice squeezed from fresh fruit cannot be equated with the fresh fruits from which such juice has been squeezed. There is no other entry in the list of exempted goods in which the juice squeezed from fresh fruits could fall. As such fruit juice extracted from fresh fruits should not be exempted from levy of VAT.

4. Under Entry No.46 (viii) of notification No.SO/50/HA/6/2003/S7, dated 1.4.2003 as amended vide notification No.SO/92/HA/6/2003/S7, dated 8.7.2003 “**fruit juice**” is taxable at 12%. The entry reads as under:-

Sr.No.46 (viii)

“Fruit juice, fruit concentrates, fruit squash, fruit syrup and fruit cordial.”

5. Fresh fruit is also fruit and the juice squeezed from it ordinarily means fruit juice. Whether extracted from fresh fruits or other kind of fruits it would be known as fruit juice.

6. For the reasons recorded above, “**juice squeezed from fresh fruits**” should fall under Entry No.46 (viii) and will attract 12% rate of tax but from 1.7.2005 the rate of tax will be 12.5%.

This clarification shall be uploaded on the official website.

Dated: 3.8.05

L.S.M.Salins,
Financial Commissioner and Principal Secretary to
Government of Haryana, Excise and Taxation Department.