ORDER OF CLARIFICATION MADE BY SH. RAMENDRA JAKHU, FINANCIAL COMMISSIONER & PRINCIPAL SECRETARY, GOVERNMENT OF HARYANA, EXCISE AND TAXATION DEPARTMENT UNDER SECTION 56 (3) OF THE HARYANA VAULE ADDED TAX ACT, 2003.

Querist: M/s Sarvodaya Wood Products Khujari Road, Yamuna Nagar

The queriest M/s Sarvodaya Wood Products Khujari Road, Yamuna Nagar holding TIN No. 06361613449 has sought clarification under section 56(3) of the Haryana VAT Act regarding levy of purchase tax under Haryana VAT Act on Eucalyptus buckle purchased by them from unregistered dealers, chipped in their machines and subsequently sold for use as boiler fuel (firewood) to various manufacturers for consumption as fuel. In the statement of facts it has been made clear that the unit purchases buckle (chhilka/khali) of eucalyptus from unregistered dealers, chips the same in their chipper machine and sells the same as boiler fuel (firewood) to various manufacturers. The department has already clarified in case of the applicant itself that eucalyptus buckle chipped and sold by the applicant is covered under entry 21 of schedule B viz. firewood and wood charcoal and hence exempt from levy of VAT under the Haryana VAT Act. Eucalyptus buckle purchased by the applicant is exclusively used as fuel after chipping of the same and there is no other application of the same as on date.

In view of the aforesaid facts eucalyptus buckle purchased by the applicant, which is subsequently chipped and sold as boiler fuel is also covered under entry 21 of schedule B of the Haryana VAT Act viz. firewood and wood charcoal and hence doesn't attract any purchase tax. The matter is clarified accordingly.

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

Chandigarh
Dated:26.02.2009

Issued vide letter No. 361-63/ST-I, dated 16.03.2009