

**ORDER OF CLARIFICATION MADE BY SHRI L.S.M. SALINS,
FINANCIAL COMMISSIONER & PRINCIPAL SECRETARY,
GOVERNMENT OF HARYANA, EXCISE AND TAXATION
DEPARTMENT UNDER SECTION 56(3) OF THE
HARYANA VALUE ADDED TAX ACT, 2003**

Querist: SAVITA MITTAL Prop. BAJRANG AGRO FUEL INDUSTRY, KARNAL

The applicant has desired to know as to whether solid fuel briquettes are tax free or not w.e.f. 1-6-2005. She has submitted that their firms has been manufacturing solid fuel briquettes converted from Agro waste i.e; wood dust, paddy husk, sugar cane trash, paddy stalks (Prali), sarkanda etc; and selling the same as tax free fuel to many brick kiln owners and other such factories. After issue of notification dated 1-6-2005, the dealer is confused if their product falls in the list of 4% items or not.

The matter has been considered and it is intimated that prior to 1-4-2003, under the Haryana General Sales Tax Act, 1973, (since repealed) under entry 78 of schedule B "Solid fuel briquettes converted from agro waste i.e; wood dust, paddy husk, bagasse, sugarcane trash, maize stalks, sunflower and mustard stalks, paddy stalks (Parali), ground nut shells and sarkanda etc;" were exempt from levy of sales tax. However, after switching over to VAT, w.e.f. 1-4-2003 the said briquettes have been covered under goods taxable @4% under entry 13 of Schedule 'C' appended to the Haryana Value Added Tax Act, 2003. Instead of mentioning the raw materials of the said briquettes, it has been mentioned as "biomass briquettes/" The Biomass briquettes are nothing but briquettes produced from municipal waste. And it is clarified that the product being manufactured by the querist is nothing but briquettes being manufactured from waste. It is, therefore, clarified that fuel briquettes being manufactured by the applicant are nothing but bio mass briquettes and hence taxable @4% in view of entry 13 of Schedule "C" appended to The Haryana Value Added Tax Act, 2003.

Chandigarh
Dated 21.3.2007

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