

(Issued vide no. 619/ST-1, dated 7.4.2006)

**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: Shree Gopal Wood Industries, Yamuna Nagar

The question is whether firewood made of chipping of waste of wood industries and sold as boiler fuel is free of tax or not.

2. Goods listed in Schedule B to the Haryana Value Added Tax Act, 2003 ('the HVAT Act') are free of tax. Entry 21 of the said Schedule reads, 'Firewood and wood charcoal' with effect from 1.7.2005. Kerala High Court in (1985) 59 STC 231 (Ker) Deputy Commissioner of Sales Tax (Law), Board Revenue (Taxes), Ernakulam Vs. C.R. Paul & Sons at para 6 page 235 of the report dealing with a similar question explained the meaning of 'firewood' as follows –

“... the very term "firewood" carries with it the concept of a well known use. Wood in any form and of every variety will burn, but only wood prepared for being used as firewood in the hearth or furnace can be so classified. It is reasonable to assume that the Legislature provided for the concessional rate under entry 55 because it knew that fuel was an important item in every family budget.”

It appears on applying the ratio of the above judgement that firewood made of chippings of waste of wood industries and sold as boiler fuel i.e. for use in furnace is indeed firewood covered under entry 21 of Schedule B to the Act, so free from the levy of tax.

(L.S.M.SALINS)

Chandigarh

Dated: 30.3.2006

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