

**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 Varun Beverages Ltd. Corporate Office,
TIN No. 06471314677**

The querist M/s Varun Beverages Ltd. is a dealer registered under Haryana VAT Act holding TIN No. 06471314677 and has sought clarification under section 56(3) of the Haryana VAT Act as to whether the applicant is entitled for Input Tax Credit in respect of Visi Coolers purchased by them from within the Haryana State and further transferred to their branches in other states as per requirement of the branches in such states. The applicant has placed reliance on the provisions contained in **White Paper of State Level VAT by Empowered Committee of State Finance Ministers'** which, as per their version, facilitates Input Tax Credit in respect of purchases made from within the state and further transferred to branches in other states. The applicant has further placed reliance on analogues provisions in VAT Acts of other states in the country. The matter has been examined. As per provisions of section 56(3) of the Haryana VAT Act *"The State Government may, if it considers it necessary or expedient so to do, for the purpose of maintaining uniformity in the levy, assessment and collection of tax or for the removal of any doubt, suo motu or on an application made to it in the prescribed form and manner on payment of the prescribed fee by a dealer or a body of dealers, issue an order clarifying any point relating to levy, assessment and collection of tax and all persons employed in the administration of this Act except an appellate authority, and all dealers affected thereby shall observe and follow such order"*. It is apparent from language of section 56(3) that clarification under section 56(3) of the Act has to be issued in accordance with the provisions laid down under this Act and no any inference can be drawn from the VAT provisions contained in VAT Act of other states. Further, while framing the Haryana VAT Act, due caution was exercised to imbibe the broad out lines of the **White Paper** as circulated by the Empowered Committee of State Finance Ministers. Haryana VAT Act, 2003 confirms to the Points of Convergence outlined in the **White Paper**. However, the provisions of the Haryana VAT Act do not provide for any input tax credit in respect of tax paid on the goods purchased which have subsequently been transferred outside the State. Provisions of section 8 of Haryana VAT Act, 2003 unequivocally deny any Input Tax Credit in respect of purchase of such goods subsequently transferred to other states. Entry No. 5(ii) of Schedule 'E' appended to the Haryana VAT Act, 2003 specifically denies input tax credit in such circumstances. *In view of the legal position explained above, the applicant is not entitled for any input tax credit in*

respect of goods purchased by them from within Haryana State and subsequently transferred to other states. Matter is clarified accordingly.

(RAMENDRA JAKHU)

Chandigarh Financial Commissioner & Principal Secretary
Dated: to Govt. Haryana, Excise and Taxation Department.

Issued vide letter no, 1312-15/ST-1,Dated 11-09-2009