

From

Excise & Taxation Commissioner,
Haryana, Panchkula.

To

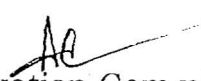
- i) All Joint Excise & Taxation Commissioners(Range)
- ii) All the Dy. Excise & Taxation Commissioners(ST)
In the state of Haryana.

Memo No. 2730 /ST-I
Panchkula dated the 25-8-2011

Subject: **Denial of Input Tax credit on Petroleum Products and Natural gas when used as fuel-guidelines to the Assessing Authorities.**

Memo:

It has come into notice of the department that some of the Assessing Authorities in the districts are allowing Input Tax credit in respect of tax paid on the purchases of petroleum products like LPG, Diesel, Petrol, Furnace Oil and Natural Gas etc. when used as fuel. Section 8(1) of the Haryana VAT Act read with entry 1 of Schedule 'E' provides that when petroleum products and natural gas are used as fuel by the assessee, input tax credit in respect of VAT paid on purchases of such goods from within the state shall be nil. It is a known fact that petroleum products like Diesel, LPG, Furnace Oil, petrol, natural gas etc. purchased by the manufacturers are used exclusively as fuel and there is no any other use of such goods as in processing etc. Assessing Authorities in the field should keep in view these facts while dealing with the cases of the nature discussed above and it should be ensured that in term of entry 1 of Schedule 'E' referred above Input Tax credit in respect of tax paid by the manufacturers on purchases of petroleum products, used as fuel, is not allowed.


Excise & Taxation Commissioner,
Haryana, Panchkula.
