

No. CTS-1/2006/202

Dated Guwahati, the 10<sup>th</sup> September, 2007.

Sub : Rate of VAT applicable on 'Potato chips'.

**Extract of the order**

The entry at Sl. 80 of part 'A' of Second Schedule reads as follows:-

“80-Processed or preserved vegetables and fruits including fruit jams, jelly, pickles, fruit squash, paste, fruit drinks and fruit juice.”

The entry above is very clear as understood. To qualify to be covered by the entry, the product should be processed or preserved vegetables and fruits. Also the entry includes items namely fruit jams, jelly, pickles, fruit squash, paste, fruit drinks and fruit juice only. 'Potato chips' is not a processed or preserved vegetable and fruit to be use as vegetable or a fruit. Also potato chips are not included in the extended items like “ fruit jams, jelly, pickles, fruit squash, paste, fruit drinks and fruit juice”. The legislature in its wisdom has not included potato chips alongwith the items specifically mentioned in the entry. Also, potato chips are not processed or preserved vegetables and fruits but packed ready to eat food. So accordingly potato chips will not be covered by the above entry at Sl.80 of Part 'A' of Second Schedule but will fall under Sl.1 of Fifth Schedule and hence taxable at 12.5% as packed food.

Sd/-( Sanjay Lohiya ),  
Commissioner of Taxes, Assam,  
Dispur, Guwahati-6.

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