

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND  
ADVANCE RULING**

**ACAAR No.02/2017-18**  
**(Acts Cell-II/14302/2017)**

Dated:29.06.2017

- Present:** 1.Dr.C.Chandramouli, I.A.S.,  
Additional Chief Secretary / Commissioner of  
Commercial Taxes.
- 2.Thiru. A.Sarvar Allam,  
Additional Commissioner (CT), (Public Relations)(FAC)
- 3.Thiru. K. Gnanasekaran,  
Additional Commissioner (CT), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. Grundfos Pumps India private Limited, 118, Rajiv Gandhi Salai, Thoraipakkam, Chennai - 600 097
2.	Registration Certificate No.	:	TIN.No. 33780924218 CST.0839944
3.	Assessment Circle	:	Sholinganallur Assessment Circle
4.	Date of application	:	12-05-2017
5.	Date of receipt of application	:	17-05-2017
6.	Clarification sought for	:	Rate of Tax on " <b>Centrifugal monobloc submersible pump sets and parts thereof</b> "
7.	Date of Personal Hearing	:	16-06-2017
8.	Represented by	:	Thiru.V.Srikanth, Advocate

**ORDER**

Tvl. Grundfos Pumps India private Limited, 118, Rajiv Gandhi Salai, Thoraipakkam, Chennai - 600 097 (TIN.No.33780924218), registered dealers in the files of Sholinganallur Assessment Circle, Chennai have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act, 2006 (TNVAT Act,

2006), read with Rule 12-A of Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007) on the rate of tax applicable on **"Centrifugal monobloc submersible pump sets and parts thereof"**

2.1. The applicant-dealers have stated that they are manufacturers of centrifugal and monobloc submersible water handling pumpsets up to 10HP and more than 10HP. Under the Central Excise Act, the goods are classified under chapter heading 84137070 which relates to centrifugal pumps primarily designed to handle water. They pay central excise under the said chapter heading only and the same has been accepted by the central excise authorities.

2.2. Under TNVAT Act, they are paying tax at 5% for the reason that the goods are classifiable under item 26, part B of the first schedule to the TNVAT Act. The rate of tax leviable under this entry is 4% upto 11.07.2011 and 5% from 12.07.2011. Item 26 part B of the first schedule is extracted

"26 (a) Centrifugal and monobloc submersible pumpsets for water handling and parts thereof

(b) Pumpsets upto 10 HP and their parts thereof"

The applicant-dealers have stated that there is no difficulty in interpreting item 26(b) as it is applicable to pumpsets up to 10 HP only. The issue raised in this application is whether pumpsets in excess of 10 HP will fall under item 26(a), part B of the First Schedule. As the Item 26(a) does not make any distinction regarding the HP capacity of the pumpsets. It is applicable to all pumpsets, whatever may be the HP capacity as long as the pumpsets answers the description of centrifugal and monobloc submersible pumpsets. In the above stated circumstances the applicant-dealers claim that their centrifugal and monobloc submersible pumpsets of any HP are also classifiable under Item 26(a) of Part-B of First Schedule to the TNVAT Act. The applicant-dealers also cited that the Authority for Clarification and Advance Ruling in its earlier clarification issued in ACAAR No. 94/2015-16 dated 30/11/2015 wherein it was clarified that

**"Centrifugal and Monobloc, submersible Pumpsets of any HP" for water handling are taxable at 5% as per Entry in Sl.No.26(a) of Part-B of First Schedule to the TNVAT Act, 2006.**

3. The applicant-dealers sought for personal hearing and accordingly they were heard on 16.06.2017. Thiru. V.Srikanth, Advocate and Counsel of the applicant-dealers appeared for the hearing and filed written statements and other documentary evidences and reiterated the above contentions.

4.1. This committee considered the above application and the documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006, Rules made thereunder and notifications issued under the Act. The contentions raised by the Finance Manager of the firm at the time of hearing were also considered.

4.2. It has been already clarified in ACAAR No. 94/2015-16 (Acts Cell -II/33739/2015) dated 30/11/2015 that **"Centrifugal and Monobloc, submersible Pumpsets of any HP" for water handling are taxable at 5% as per Entry in Sl.No.26(a) of Part-B of First Schedule to the TNVAT Act, 2006.** The applicant-dealers have sought for rate of tax on "Centrifugal monobloc submersible pump sets and parts thereof". Hence, it may reiterated that the Centrifugal, monoblock, submersible pump sets of "any Horse Power" may be classifiable under Entry 26 (a) of Part-B of First Schedule to the TNVAT Act, 2006 liable to tax at 5%.

5. In view of the above discussion, it is clarified that **"Centrifugal, monoblock, submersible pump sets" of any Horse Power dealt by the applicant-dealers are liable to Vat at 5% under Entry 26(a) of Part-B of First Schedule to the TNVAT Act, 2006.**

Dated this the Twenty-ninth day of June 2017.

Sd/- A. Sarvar Allam,  
Additional Commissioner (PR)(FAC)

Sd/- K. Gnanasekaran,  
Additional Commissioner (RP) (FAC)

Sd/- Dr.C. Chandramouli, I.A.S  
Additional Chief Secretary/  
Commissioner of Commercial Taxes

To  
Tvl. Grundfos Pumps India private Limited,  
118, Rajiv Gandhi Salai,  
Thoraipakkam, Chennai – 600 097

Copy to:

The Assistant Commissioner (CT)  
Sholinganallur Assessment Circle

The Joint Commissioner (CT),  
Chennai(East) Division.

The Joint Commissioner (CS)

**To host in the Department Website**

The Principal Secretary to Government, Commercial Taxes & Registration  
Department, Chennai - 9.

All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), Territorial, Assessment and Enforcement

All Head of Offices (Assessment)

The State Representative, Sales Tax Appellate Tribunal, Chennai- 104.

The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore.

The Director, CTSTI, Greams Road, Chennai - 6.

The Executive Officer, Traders Welfare Board, Chennai - 5.

The Accountant General (Audit)-II, No.44, Greams Road, Chennai - 6.

The Additional Commissioners, Deputy Commissioners, Assistant  
Commissioners, Commercial Tax Officers in CCT's Office.

Personal Clerk to the CCT.

Stock File 3/ Acts Cell-II /Spare - 5.

//Forwarded/By Order//

*27-6-17*  
Commercial Tax Officer