

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.103/2015-2016
Acts cell-II/36784/2015

Dated:24.07.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,
Additional Chief Secretary /
Commissioner of Commercial Taxes.
 2. Thiru M. Parameswaran,
Additional Commissioner (ST), (Public Relations)(FAC)
 3. Dr. C. Palani,
Additional Commissioner (ST), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. Clear Aqua Technologies, 13/6 Sri Nagar, T.V. Kovil, Trichy
2.	Registration Certificate No.	:	TIN : 33943463105 CST : 825574
3.	Assessment Circle	:	Srirangam Assessment Circle
4.	Date of application	:	28.11.2015
5.	Date of receipt of application	:	08.12.2015
6.	Clarification sought for	:	Rate of tax on " Pollution Control Equipments (Water Pollution Control equipment) ".
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Clear Aqua Technologies, 13/6 Sri Nagar, T.V. Kovil, Trichy (TIN 33943463105), registered dealers in the files Srirangam Assessment Circle 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 the Tamil Nadu Value Added Tax Rules,2007 (TNVAT Rules,2007).

2.1. The applicant-dealer have sought for clarification for the rate of tax on **"Pollution Control Equipment (Water Pollution Control equipment)"**.

2.2. Though the applicant-dealer mentioned the commodity "Pollution Control Equipment" in their application in Form VV, they have requested to clarify the tax applicability on their part in the following circumstances:-

"The applicant-dealer engaged in the supply and install water treatment plant (water pollution control equipment) to various customers including Government Departments, industrial units etc., levying tax at 5% as it falls under Entry 104 of Part-B of the First Schedule to the TNVAT Act, 2006. The applicant-dealer submit that their supply of Reverse Osmosis plants and spare and components are used in various industries including water treatment plants of mineral water manufacturers and other public spaces which helps in supplying pollution free water"

2.3. The applicant-dealer explained in detail on various water polluting factors, Reverse Osmosis (RO) in water purification process, comparison between water purifier and RO plants and supply invoice to various dealers as an annexure to the application. They have also brought to notice of the earlier clarification issued in ACAAR No.83/2013-14 (Act Cell -II/34502/2014) dated 02.09.2014 in the case of Tvl. Ashta Lakshmi Purifiers, Coimbatore which was clarified as follows:

"Reverse Osmosis Plants and Parts and accessories for Reverse Osmosis Plants if used in manufacturing plants as part of pollution control equipments" are liable to VAT at the rate of 5% under Entry 104 of Part-B of First Schedule to the TNVAT Act, 2006 read with Section 2(11) (b) and Item (i) in the list of Pollution Control

Equipments notified vide Notification No. II(1)/CTR/(a-2)/2007 in G.O. Ms. No.3/CT & R (B2) Department dated 01.01.2007.”

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and TNVAT Rules,2007 and the related entries in all the Schedules to the TNVAT Act, 2006. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.1. The related entry 104 of Part-B of the First Schedule to the TNVAT Act, 2006 reads as under :

“Pollution control equipments as notified by the Government”

The Pollution Control equipments were notified by the Government vide Notification No. II(1)/CTR/(a-2)/2007 in G.O.Ms.No. 3, Commercial Taxes and Registration (B2) Department, dated 01.07.2007 as follows :-

(i) Water Pollution Control Equipments:

Coarse Screen/micro Screen(stainless steel/mild steel), Rotary screen / comminutor (stainless steel/detritor), Racker arms, weirs, paddles, motor with reduction gear arrangements intended for clarifiers for liquid waste treatment, Surface aerators/floating aerators and accessories, Diffuses of all types for supply of air, in liquid waste treatment, Radial arms and accessories for trickling filters, Demineraliser for effluent treatment, Synthetic packing media for trickling filters, packed bed columns/towers for effluent treatment, Headers and laterals with accessories for trickling filters, Digestors, gas meters and electrical heaters for digestors, Gas holding tanks for digestors.

Filter press, Oil Skimmer, Dissolved Air Floataion, Centrifuge, Belt Press, Vacuum Filter, Filtration Units such as (pressure filter, activated carbon filter, nano filter, Reverse osmosis, micro filter), Evaporator, Continuous Chemical Dosing Equipments, Tube/Plate Separator, Autoclave for waste treatment, Aero Tiller for Composting, Mechanical Flocculator.

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4.2. The applicant-dealer though mentioned against column 4(a) i.e., name of the goods for which clarification or advance ruling sought as "Pollution control equipments", mentioned against column 8, i.e., the nomenclature adopted in the invoice or sale bill for the goods as " RO Plant / Water distillation plant / Effluent Recycling plant". They have also mentioned that the goods for which clarification sought understood in the common parlance as "Water treatment equipment". Thus, it is clear that the goods dealt by the applicant-dealer covered equipments related to treatment / filtration / diffusor / Demineralization / Recycling / Distillation of water and hence squarely falls under the category of water pollution control equipments.

5. In view of the above and the clarification already issued in ACAAR No. 83/2013-14 (Acts Cell-II/34502/2014), dated 02.09.2014 in the case of Tvl. Ashta Lakshmi Purifiers, Coimbatore, it is clarified that **"Water pollution control equipments (Reverse Osmosis Plant / Water Distillation Plant / Effluent Recycling Plant) and parts and accessories thereof if used in manufacturing plants as part of pollution control equipments"** are liable to tax @ 5% under Entry 104 of Part-B of the First Schedule to the TNVAT Act, 2006 read with Section 2 (11)(b) and item (i) in the list of

Pollution Control Equipments notified vide Notification No. II(1)/CTR/(a-2)/2007 in G.O.Ms.No.3, Commercial Taxes and Registration (B2) Department, dated 01.01.2007.

Dated this the Twenty –Fourth day of July 2018.

Sd/- M. Parameswaran,
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,
Additional Commissioner (RP) (FAC)

Sd/- T.V. Somanathan,
Additional Chief Secretary/
Commissioner of Commercial Taxes

To

Tvl. Clear Aqua Technologies,
13/6 Sri Nagar,
T.V. Kovil, Trichy

Copy to:

The Assistant Commissioner (ST),
Srirangam Assessment Circle.

The Joint Commissioner (ST),
Trichy 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 (ST) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (ST), 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//

[Handwritten Signature]
State Tax Officer