

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.113/2014-15
Acts Cell-II/1224/2015

Dated:25.10.2016

- 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. Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Enviro Control Associates India Private Ltd, 60 MLD Sewage Treatment Plant, Opp, Petrol Pump, Kalamman Koil Street, Koyambedu, Chennai – 600 092.
2.	Registration Certificate No.	:	TIN.No.33171390687 CST. 1121809
3.	Assessment Circle	:	Saligramam Assessment Circle
4.	Date of application	:	---
5.	Date of receipt of application	:	13-01-2015.
6.	Clarification sought for	:	Rate of Tax on " 60 MLD STP for CMWSSB at Koyambedu to Produce Electricity "
7.	Date of Personal Hearing	:	Personal Hearing not requested
8.	Represented by	:	---

ORDER

Tvl Enviro Control Associates India Private Ltd, Chennai - 600092 (TIN.No. 33171390687), the registered dealers in the files of Saligramam 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).

2.1. The applicant-dealers have sought for clarification on the following: Rate of tax on **"60 MLD STP for CMWSSB at Koyambedu to Produce Electricity"**. It is stated in the application that the applicant-dealers have adopted the Schedule Entry-26 of Part-B of Fourth Schedule "Municipal waste Conversion devices for Producing Energy" and claims an Exemption in their monthly return to the Assessment Circle.

2.2. The applicant-dealer stated that they are Private Limited Company carrying their business at Enviro House, Opp. Bank of Maharashtra, Ghod Dod Road, Surat - 395001(Gujarat) had entered into a Joint Venture with Batliboi Environment Engineering Ltd., a Public Limited Company Registered under the Indian Company's Act of 1956 having a registered office in Batliboi Hous, Govandi (W). Mumbai - 400043. The applicant-dealer as a Joint Venture was awarded the Contract in Chennai Metropolitan Water Supply & Sewerage Board, Chennai - 600002 issued under contract Document No. CNT/SEW/NCB/GOI/14-A/2002 dated 14/07/2003.

2.3. It is also stated that the Product **"60 MLD STP for CMWSSB at Koyambedu"** is a Municipal sewerage plant which uses raw sewage as input and finally generates "Biogas" from the digester unit as a by-product of the process. This Biogas is diverted to Gas Engine for the power Generation. The Produced electricity is re-utilised by them for various operations of the treatment plant units. Hence the dealer claims an exemption under "Municipal waste Conversion devices

for Producing Energy" in Entry 26 of Part-B of Fourth Schedule to the TNVAT Act, 2006.

3. This committee considered the above application and documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006 and notifications issued under the Act.

4. The applicant has sought for clarification on the rate of tax applicable on Sewage Treatment Plant (STP). Such plant cannot be treated as "Municipal waste conversion device" falling under Entry 26 of Part-B of Fourth Schedule to the TNVAT Act, 2006. Erection and installation of a plant involves supply of various goods and application of services like technical knowhow, skill and labour and therefore it is a transaction of works contract. Such works contract is liable under Sec. 5 or 6 of TNVAT Act.

5. In view of the above discussion, this committee views that commodity clarification cannot be issued on the rate of tax applicable on such Sewage Treatment Plant (STP) under Sec. 48-A of TNVAT Act. In the result, the application is rejected as not maintainable.

Dated this the Twenty-Fifth day of October 2016.

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

Sd/- K. Mahalingam,
Additional Commissioner (RP)

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

To
Tvl. Enviro Control Associates India Private Ltd,
60 MLD Sewage Treatment Plant,
Opp, Petrol Pump,
Kalamman Koil Street,
Koyambedu, Chennai – 600 092.

Copy to:
The Assistant Commissioner (CT)
Saligramam Assessment Circle,

The Joint Commissioner (CT),
Chennai (South) 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//

LCJ on 25/11/16
Commercial Tax Officer