

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.15/2016-2017
Acts cell-II/13169/2016

Dated:13.06.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,
Principal 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. Eurostar, No. 4/303, Old Mahabalipuram Road, Nehru Nagar, Chennai - 600096.
2.	Registration Certificate No.	:	TIN : 33080929453 CST : 1303524
3.	Assessment Circle	:	Thiruvanmiyur Assessment Circle.
4.	Date of application	:	17.05.2016
5.	Date of receipt of application	:	24.05.2016
6.	Clarification sought for	:	Rate of tax on "Magnolith Water Softner"
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Eurostar, No. 4/303, Old Mahabalipuram Road, Nehru Nagar, Chennai - 600096 (TIN 33080929453), registered dealer in the files of Thiruvanmiyur 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 on the rate of tax for **"Magnolith Water Softner"**.

2.2. The applicant dealer have stated that the product is Magnetic Water Softener in a cylindrical form. The hard water when passed through this device is softened due to the magnetic force of the device. When the water runs through device Magnolith, the force of the magnet is rhythmically turned on and off and when this lies within the area of natural frequency of water clusters, resonance occurs and resulting in opening of water clusters. It is an extremely effective device for the magnetic conditioning of water and it improves the physical, chemical and biological nature of water. It energizes water and prevents and reduces furring, corrosion, and any kind of scale build-up and slurry. This product does not require any electricity or any form of power. The product does not have any chemicals and can be fixed anywhere with a simple installation process. This can be used in a regular household as also in commercial establishment. Further, it is a very effective device which helps in providing better quality of water.

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 applicant-dealer in order to market a new product **"Magnolith Water Softner"** in this State applied for a clarification for the rate of tax. Examination of the product and its features revealed the fact that this cylindrical device is used for improving the physical, chemical and biological nature of water with the help of magnetic resonance. But this does not remove calcium and magnesium which are hard water elements that form scale in pipes and appliance components. Instead as water passes through the unit's magnetic field, calcium and magnesium ions are, in theory, altered and no longer able to cause scale.

4.2. In determining the meaning or connotation of words and expressions describing an article in a schedule, those words and expressions should be construed in the sense in which they are understood in the trade by the dealer and the customer whose goods are marketable. In 72 STC, 280, the Hon'ble Supreme Court had held that where a word has a scientific or technical meaning

and also an ordinary meaning according to common parlance, it is latter sense that in a taxing statute the word must be held to have been used, unless a contrary intention is clearly expressed by the legislature.

4.3. There is a difference between water conditioner and water softener. While the former improves the tastes of water the latter removes the hardness that cause films left on dishes and glasses. While there is a specific entry for Water Purifier, the commodity water softener not found anywhere in the Schedules to the TNVAT Act, 2006. Hence, this commodity has to be construed as residual goods taxable @ 14.5% as per entry 69 of Part-C of the first Schedule to the TNVAT Act, 2006.

5. In view of the above, it is clarified that **"Magnolith, a magnetic Water Softener"** is taxable @ 14.5% as per residual entry 69 of Part-C of the First Schedule to the TNVAT Act, 2006.

Dated this the Thirteenth day of June 2018.

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

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

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

To

Tvl. Eurostar,
No. 4/303, Old Mahabalipuram Road,
Nehru Nagar,
Chennai - 600096.

Copy to:
The Assistant Commissioner (ST),
Thiruvanniyur Assessment Circle.

The Joint Commissioner (ST),
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 (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//


State Tax Officer 15/06/18