

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.29/2016-2017**  
**Acts cell-II/17474/2016**

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. Catrad Technologies Private Limited, No.A-12, Coimbatore Private Industrial Estate, Coimbatore-641 021.
2.	Registration Certificate No.	:	TIN : 33466362990 CST : 1177582
3.	Assessment Circle	:	Pothanur Assessment Circle
4.	Date of application	:	01.07.2016
5.	Date of receipt of application	:	04.07.2016
6.	Clarification sought for	:	Rate of tax on " <b>Pollution Control Equipments</b> ".
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

**ORDER**

Tvl. Catrad Technologies Private Limited, No.A-12, Coimbatore Private Industrial Estate, Coimbatore-641 021 (TIN 33466362990), registered dealer in the files of Pothanur 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 **"Pollution Control Equipments"**.

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

*"That they intend to purchase the raw materials, sub-assemblies, Components, etc., from the market and manufacture equipment for Effluent treatment Plant. That the said equipment will be deployed in a paper mill, a registered dealer under the TNVAT Act, 2006. That the agreement between the paper mill and them is that they deploy the machine in the paper mill premises, engage their own labour for operating and carry out operation, repairs and maintenance. That they treat the effluent water and return the treated water to the Paper mill for three years. That they charge the paper mill on treatment charges per kilo litre in such a way get back the cost of the machine in 3-5 years. That they propose to sell the Pollution Control Equipment to the Paper Mill after the stipulated time period of 3-5 years"*

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. As per Section 48-A of TNVAT Act 2006, clarification can be issued only in respect of the Commodities involved and not on the transactions they wish to undertake with the customer as per the business agreements entered between them. Hence the clarification sought by the dealer applicant in respect of transaction being the applicable rate of tax on the amount received from the buyer (Paper Mill) towards treatment charges using their own labour and on the sale of such plant to the paper mill after 3-5 years is not capable of compliance as the assessing officer is the appropriate authority to decide the issue with reference to the records produced at the time of assessment.

4.2. With regard to applicable rate of tax for Pollution Control Equipment, the related entry is 104 of Part-B of the First Schedule to the TNVAT Act, 2006 viz, Pollution Control Equipment as notified by the Government and therefore taxable @ 5%. The Government by way of Notification in No.II(1)/CTR(a-2)/2007 in G.O.Ms.No.3,

CT & R (B1) Department, dated 01.01.2007, notified the following goods:-

**(i) Water Pollution Control Equipments:**

Coarse Screen/Micro Screen(Stainless Steel/mild Steel), Rotary Screen/Comminutor(stainless steel/deritor), 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, Demineralizer for effluent treatments, 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.

**(ii) Instrumentation :**

B Oc Incubator, C Oc Apparatus, Ion Analyser,

PH meter and Recorder, Conductivity Meter, Turbidity Meter, Water Pollution Testing kits, Mercury Analyser, Spectrophotometer (UV-VIS and VIS-IR Digital), Noise Meter.

**(iii) Air Pollution Control Equipment:**

Filters (fabric filters, bag filters, vacuum filters) Electrostatic precipitators, Cyclones, Wet Scrubbers, Particle analyser (SO<sub>2</sub>, CO<sub>2</sub>, NO<sub>x</sub>, Sox, hydrocarbons, chlorine, fluorine etc.,) Personal samplers, Detectors(for grass), High Volume Sampler, Pressure Gauges, Timber, Filter head assembly, pitet tube, sampling train (for ambient/stack air quality monitoring), Smoke meter, Mist Eliminator.

Adsorption system, Bio Filter, Incinerator, Dry Scrubber, Condenser for Waste recovery.

5. In view of the above, it is clarified that "**Pollution Control Equipment for water treatment**" is taxable @ 5% as per Entry 104 of Part-B of the First Schedule to the TNVAT Act, 2006 as the commodity dealt by the applicant dealer finding place

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in the Notified Goods as per G.O. Ms.No.3 Commercial Taxes & Registration (B1) Department, dated 01.01.2007.

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,  
Principal Secretary/  
Commissioner of Commercial Taxes

To

Tvl. Catrad Technolgies Private Limited,  
No.A-12, Coimbatore Private Industrial Estate,  
Coimbatore-641 021.

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

The Joint Commissioner (ST),  
Coimbatore 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//

  
13618  
**State Tax Officer**