

COMMERCIAL TAXES DEPARTMENT

From

**THIRU S.Murugaia, I.A.S,**  
Commissioner of Commercial Taxes (FAC)  
Ezhilagam, Chepauk,  
Chennai 600 005

To

Foretek Engineers Pvt. Ltd,  
11, Dr. Nair Road, T Nagar,  
Chennai 600 017

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**Lr. No. VAT Cell /10596/2008 A3 (VCC.1508) Dated 14.5.2008**

Sub: TNVAT Act, 2006 – Rate of tax clarification under  
Tamilnadu Value Added Tax Act 2006 for water cleaning  
and air drying of final products - requested - Regarding.

Ref: Letter dated 28.2.2008 received from Tvl. Foretek Engi neers  
Pvt.Ltd, Chennai 17

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Tvl. Foretek Engineers Private Ltd, No:11, Dr. Nair Road, T Nagar, Chennai 17 is clarified that the Plant used for water cleaning and air drying of the final products cannot be considered as capital goods as it is not used for producing, making, extracting, or processing of any goods or for extracting or bringing about any change in any substance for the manufacture of final product (vide Section 2 (11). Hence, it is taxable at 12.5% vide Part C of I Schedule to Tamilnadu Value Added Tax Act 2006 with effect from 1.1.2007.

**Sd/-R.Chandrakanthan,**  
For Commissioner of Commercial Taxes

Copy to the Secretary to Government, Commercial Taxes and  
Registration Department, Secretariat, Chennai - 9.

Forwarded/ By/ Order/

Deputy Commercial Tax Officer.