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**AUTHORITY FOR ADVANCE RULING, TAMILNADU  
ROOM NO.206, 2<sup>ND</sup> FLOOR, PAPJM BUILDING,  
NO.1. GREAMS ROAD, CHENNAI -600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER  
SECTION 98(4) OF THE TNGST ACT, 2017.**

**Members present:**

Smt. D Jayapriya, I.R.S., Additional Commissioner / Member, Office of the Principal Chief Commissioner of GST & Central Excise, Chennai 600 034.	Smt. N.Usha, Joint Commissioner (ST)/ Member, Office of the Authority for Advance Ruling, Tamil Nadu, Chennai 600 006.
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**Advance Ruling No. 31/AAR/2023 Dated: 30.08.2023**

*1. Any appeal against this Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, under Sub-section (1) of Section 100 of Central Goods and Service Tax Act / Tamil Nadu Goods and Service Tax Act, 2017('the Act' in short) within 30 days from the date on which the ruling sought to be appealed against is communicated.*

*2. In terms of Section 103(1) of the Act, this Advance ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*

*(a) on the applicant who had sought it in respect of any matter referred to in sub section (2) of section 97 for advance ruling;*

*(b) on the concerned officer or the jurisdictional officer in respect of the applicant.*

*3. In terms of Section 103(2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*

*4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab-initio in accordance with Section 104 of the Act.*

*5. At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act, 2017.*

GSTIN Number, if any / User id		33AAJCS8719E1Z8
Legal Name of Applicant		Sirupooluvapatti Common Effluent Treatment Plant Private Limited
Registered Address / Address provided while obtaining user id		SF No. 632, Athuvazhi Thottam, Sirupooluvapatti Post, Tirupur, Coimbatore - 641 603.
Details of Application		Form GST ARA - 01 Application Sl.No.57/2022/ARA, dated 17.11.2022.
Concerned Officer		Centre: Coimbatore Commissionerate State: Gandhi Nagar Assessment Circle.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Supply of goods
B	Description (in brief)	Common Effluent Treatment Plant
Issue/s on which advance ruling required		Classification of good and /or services or both Applicability of notification issued under the provisions of the Act.
Question(s) on which advance ruling is required		1.What is the appropriate classification of the treated water that would be sold by the Applicant, after carrying out various treatment process on the effluent water purchased by them?  2.What is the rate of GST applicable on the said treated water which would be sold by the Applicant?

M/s Sirupooluvapatti Common Effluent Treatment Plant Private Limited, SF No. 632, Athuvazhi Thottam, Sirupooluvapatti Post, Tirupur, Pin.: 641 603 (hereinafter called as the 'Applicant') is registered under the GST Acts with GSTIN: 33AAJCS8719E1Z8.

2.0 In their application for Advance Ruling, the Applicant has stated, *inter-alia*, the following as their nature of activity proposed:



- (i) the Applicant is a common effluent treatment plant, set up by the various dyeing units in that area;
- (ii) the Applicant is planning to buy the effluents from dyeing units and that the effluents will be delivered from the dyeing units to the Applicant through pipelines;
- (iii) the effluent will be processed at the plant and the resultant treated water is to be sold to the dyeing units.

2.1 The Applicant has sought for advance ruling on the following questions;

1. What is the appropriate classification of the treated water that would be sold by the Applicant, after carrying out various treatment process on the effluent water purchased by them?
2. What is the rate of GST applicable on the said treated water which would be sold by the Applicant?

2.2. The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST Rules 2017 and SGST Rules 2017.

2.3 The Applicant has been established as a Zero Liquid Discharge (ZLD) plant, undertaking treatment of dyeing and bleaching effluents discharged / received from their member dyeing units, so as to completely prevent discharge of any effluent into the nearby water bodies.

2.4. As per the written submissions made, their main objective is to treat the effluents generated from all its member units. The effluent water is received from the member Dyeing units through pipelines and the effluent is subjected to various treatment processes to obtain reusable water with zero discharge of any effluents.

2.5. The effluent treatment, as explained by the Applicant, is as given below:

- The effluent, which consists of various colours, dissolved salts, organic load such as COD and BOD, received from member Dyeing units is taken to the receiving sump through gravity pipeline. This is transferred to equalization tank and pH corrected to 7. For equalization process, they use blower

system and diffuser arrangement for proper mixing. Backwash water, spillages, chemical cleaning water are also collected in equalisation tank.

- The equalized effluent is sent to biological treatment tank where it is subjected to activated sludge process to reduce organic load. This overflows into a secondary clarifier and the settled biomass is re-circulated back to aeration tank and excess is sent for sludge dewatering. The effluent then transferred to chlorine contact tank, where it is decoloured using liquid chlorine and then it is treated with sodium meta bi-sulphate/sodium thio sulphate to remove traces of chlorine. Then it enters the filtration system such Pressure sand filter, Micro filter, which remove suspended solids, turbidity and fines, organic, odour from effluent.
- The output product is collected in the reverse osmosis feed tank. The treated effluent is fed into three stage(I,II,III) RO system for removal of dissolved inorganic salts and 80 to 85% of water will be recovered as reusable water. Additional fourth phase(IV) and fifth phase(V) of RO treatment is done through micron cartridge filter for desalination. RO IV & V reject is treated with Lime soda process in a Clarifier-I for hardness removal and pH correction then taken through RO VI through micro filtration for further concentration.
- Final RO VI reject is treated through MEE-1, MEE-2, MEE-3 for further concentration and portion to Brine solution preparation. The MEE-1 concentrate and the MEE-2 mother liquor are sent to Brine solution preparation. Remaining RO VI reject is treated in MEE-2 & MEE-3 for further concentration and where the salt is crystallized and removed pusher centrifuge. The mother liquor from MEE-3 is dried and powdered in ATFD(Agitated Thin Film Dryer). The Brine solution is treated with Lime soda process in Clarifier II for hardness reduction, the effluent pH is corrected and distributed to member units for reuse.

3.0. The Applicant's interpretation of law/facts in respect of the questions raised, they submitted the following:

- The CGST payable on supply of various goods are prescribed under Notification 1/2017-CT(Rate) dated 28.06.2017, as amended, and



Notification NO.02/2017-CT(Rate) dated 28.06.2017, as amended, provides for various exemptions from payment of CGST, for various supplies of goods.

- As per the First Schedule to the Customs Tariff Act, 1975, Chapter 2201 covers "Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow", and thus the heading is wide enough to cover the treated water and therefore the treated water would be classifiable under heading 2201.
- Sl.No.99 of the Notification No.02/2017-CT(Rate) dated 28.06.2017 provides exemption from payment of CGST for the following description of water:

99.	2201	Water other than aerated, mineral, purified, distilled, medicinal, Ionic, battery, de-mineralized and water sold in sealed container.
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- From the above, it is seen exemption is not available to certain types of water. However, the treated water proposed to be sold would be covered by the expression 'purified' or 'de-mineralized' and hence attract 9% CGST and 9% SGST for the reasons:
- "Purified water": The term 'purified water' is not defined in GST law. Hence taking the dictionary meaning and meaning from Wikipedia, it means that water on which many processes are carried out for removal of contaminants for making it fit for various uses. The effluent water is subjected to different processes and resultant water is "purified water" which is meant for industrial reuse.
- "Demineralized water": There is no definition for 'de-mineralized water' in any of the rate notifications in GST. The dictionary meaning is the process of removing mineral matter or salts. The process of treating effluent water includes demineralization process and therefore, the water obtained at the end of the process is demineralized water.
- Demineralized water is usually made by using ion exchange, electrode ionization or membrane filtration technologies in order to create ultrapure

water. In this process, removal of virtually all ionic mineral contaminants from water, so that resultant water has sufficient purity for variety of industrial applications.

- The water usually contains positively charged ions as Iron, Calcium, Magnesium, Copper, Sodium and Potassium and also negatively charged ions as Chloride, Carbonate, Sulphate, Bi-carbonate, Nitrate etc. Reverse Osmosis(RO) is a process where water is demineralized by flowing under pressure through a semi-permeable membrane. The outlet of MF product is serially fed to 7 stage RO system through Micron Cartridge filter for demineralization. The inlet Total Dissolved Solids(TDS – Minerals) of RO system is around 10,000 mg/l. On demineralizing, the ETP recovers 93% of demineralized water, which is fit for reuse.
- The TDS of demineralized water is 400 mg/l only. The TDS of 7<sup>th</sup> stage RO system reject water is 1,50,000 mg/l. Some of the minerals, the percentage of which is present in RO feed and RO recovered is given below:

Sl.No.	Minerals	RO Feed	RO Recovered water	RO Reject
1	PH	6.5	5.9	7.6
2	TDS mg/l	10000	150000	400
3	Calcium mg/l	120	3	1460
4	Magnesium mg/l	80	1	980
5	Sodium mg/l	4600	140	50100
6	Chloride mg/l	3500	140	30500
7	Sulphate	4000	110	61000
8	Bicarbonate	400	20	1800

- The process of treatment of the effluent water received would be converted into purified/demineralized water as all impurities are removed and various salts and ions present in the effluent are removed in the process of treatment. Therefore, the treated water recovered is demineralized water, which is classifiable under HSN 2201 and is liable for GST rate of 18% under S.No.24 of Schedule III of Notification No.01/2017-CT(Rate) dated 28.06.2017 and the benefit of exemption from payment of GST as per Sl.No.99 of Notification NO.02/2017-CT(Rate) dated 28.06.2017, cannot be claimed by them.



3.1. They relied upon the decision of TN AAR in the case of M/s. Kasipalayam Common Effluent Treatment Plant Private Limited (AAR Tamilnadu - 23/AAR/2021), in a similar case, wherein it was pronounced that, Water recovered, which is de-mineralized water for Industrial use is classifiable under Heading No. 2201 as Waters described under Sl. No. 24 of Annexure-III of Notification No.01/2017 - Central Tax (Rate), dated 28-6-2017 taxable at rate of 18 per cent GST. They also relied on the ruling issued by Gujarat AAAR in the case of Aquaa Care(Surat) RO Technologies Pvt. Ltd., and ruling issued by the Karnataka AAR in the case of Water Health India Pvt. Ltd., wherein it was held that treated water is purified water and liable to GST.

4.0 The Applicants were offered personal hearing on 28.07.2023, wherein Shri.G Natarajan, Advocate (Authorised Representative -AR) appeared for the Applicant and reiterated the submissions made in the application. He stated that the treated water is partly demineralized, which is used for Industrial purposes and not suited for human consumption. Therefore, it would fall under Chapter heading 2201 and applicable tax would be 18%. The Members asked the AR to submit test report conducted on ted both on the effluent water and treated water and certificate to that effect and also detailed flow chart showing the end products. Members also asked him to submit the details of all the byproducts obtained on treatment of effluent water other than demineralized water, whether they are sold back to the dyeing units or any other third party and bills pertaining to the same.

5.0. The State jurisdictional authority furnished the following report, wherein regarding taxability of the treated water, they have stated that -

- Regarding classification of "Treated water", "Treated water" find no place in Customs Tariff. The principal supply done by the assessee is supply by way of treatment of effluents by a Common Effluent Treatment Plant (SAC-9994). It is evident that the taxpayer is only purifying the water containing the dye impurities and no change of nature of goods involved in this process. Hence, it is purely a service only.
- As per the Government of India Notification No.1 / 2018 Central Tax (Rate) dated 25.01.2018, it was notified that "Services by way of treatment of effluents by a Common Effluent Treatment Plant" is taxable at 6% CGST & 6% SGST in total rate of tax is 12% (SAC-9994). Hence the classification of the supply of output as sale of goods is not correct. As per the Government of India

Notification No.1 / 2018 Central Tax (Rate) dated 25.01.2018, it was notified that "Services by way of treatment of effluents by a Common Effluent Treatment Plant" is taxable at 6% CGST & 6% SGST in total rate of tax is 12%. But Salt (HSN 2501) and water (HSN 2201) are NIL rated. Hence, classification as sale of goods is not relevant in this case.

6.0 With the above background of facts, the Applicant is before us seeking ruling on the following question:

1. What is the appropriate classification of the treated water that would be sold by the Applicant, after carrying out various treatment process on the effluent water purchased by them?
2. What is the rate of GST applicable on the said treated water which would be sold by the Applicant?

As the question is to determine the classification of goods or services, which is within the ambit of the Authority under section 97 (2) (g) of the CGST Act, the same is taken up for decision.

#### **DISCUSSIONS & FINDINGS**

6.1 We have carefully examined the statement of facts, supporting documents filed by the Applicant along with application, submissions/Additional submissions made and the comments of the Central/State Jurisdictional Authority.

6.2 The Applicant is a common effluent treatment plant engaged in rendering hazardous waste treatment and disposal services. The treated water and salt recovered during the treatment /process are being supplied to member units for their reuse. So far, they have paid tax @ 12% classifying their services under the group 99943 water treatment and disposal services.

6.3 In order to prevent pollution of River water and ground water, TNPCB has made the Zero Liquid Discharge system (ZLD in short) mandatory for all the highly polluting industries including Textile Dyeing and Bleaching industries, Tanneries etc., which use considerable amount of salt in the process and consume huge quantity of water. The ZLD system ensures recovery of water & salt from the effluent water, thus preventing pollution of River / ground water.



6.4 In this context, the Applicant is functioning as a common plant to treat the effluents generated in the member textile dyeing units during the dyeing and bleaching process recovering maximum quantity of water, salts and other solids which could be beneficially reused, leaving zero discharge at the end of the treatment process.

6.5 As per the submissions made, at present, the Applicant is rendering the service of hazardous waste treatment and disposal services, by treating the effluent water and supplying treated water and other recovered products for reuse by the member units. Now, they have proposed to **purchase** effluent water from the member unit and after treating the same they propose to **supply** the resultant products to their member units so as to classify their activities as supply of goods.

6.6 From the various submissions of the Applicant both during the personal hearing and written submissions, it is clear that the applicant seeks to purchase the raw effluent and proposes to treat the same. The applicant proposes to sell the resultant products at market rates.

6.7 The first question to be examined is 'what is the appropriate classification of the treated water that would be sold by the Applicant, after carrying out various treatment process on the effluent water purchased by them'. The Applicant is of the view that the treated water recovered is demineralized water, which is classifiable under HSN 2201 and is liable for GST rate of 18% under S.No.24 of Schedule III of Notification No.01/2017-CT(Rate) dated 28.06.2017 and the benefit of exemption from payment of GST as per Sl.No.99 of Notification NO.02/2017-CT(Rate) dated 28.06.2017, cannot be claimed by them.

6.8 In this context, the Applicant has referred the advance rulings pronounced in the following cases.

1. M/s. Kasipalayam Common Effluent Treatment Plant Private Limited (AAR Tamilnadu – 23/AAR/2021, Dated: 18.06.2021.
2. Gujarat AAR in the case of Aquaa Care (Surat) RO Technologies Pvt. Ltd. – GAAR/11/2019, Dated: 24.07.2019.
3. Karnataka AAR in the case of Water Health India Pvt. Ltd. – KAR ADRG 12/2020, Dated: 18.02.2020.

6.9 The Advance ruling pronounced in the case of M/s. Water Health India Pvt. Ltd., by the Karnataka Advance Ruling Authority is related to processing of raw water from well, pond bore well and other sources through Reverse Osmosis process to get purified water meant for drinking purpose.

Similarly, the Advance Ruling pronounced by the Gujarat Authority for Advance Ruling is also related to purification of raw water through RO and UV technologies and selling purified water in containers.

Therefore, both these rulings are not relevant to the case of the Applicant. Further, these rulings were issued prior to the issue of Circular No.179/11/2022, dated 03.08.2022.

In the case of M/s. Kasipalayam Common Effluent Treatment Plant Private Limited, it was pronounced that, Water recovered out of effluent treatment process, is partly de-mineralized in nature for industrial use and therefore is classifiable under Heading No. 2201 as Waters described under Sl. No. 24 of Annexure-III of Notification No.01/2017 – Central Tax (Rate), dated 28-6-2017 taxable at the rate of 18 per cent GST.

6.10. Water recovered has been categorized as de-mineralized/purified water in aforesaid rulings, classifiable under Heading No. 2201 under the following entry in Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017. To decide upon the taxability of effluent treated water, it is required to analyze the aforesaid classification. The entry given under the said notification is as under:

Sl.No.	Heading	Description of Service	Rate
24	2201	Waters including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; Ice and snow (other than Drinking water packed in 20 litre bottles)	9%

6.11 Chapter 22- covers Beverages, Spirits and Vinegar, covers water, non-alcoholic, alcoholic beverages. More specifically, as per explanatory notes to the Heading 22.01 - Waters including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; Ice and snow, this heading covers;



(A) **Ordinary natural water** of all kinds (other than sea water – see heading 25.01).

Such waters remain in the heading, whether or not clarified or purified, except that distilled or conductivity water and water of similar purity are classified in heading 28.53.

The heading **excludes** sweetened or flavoured water (heading 22.02)

(B) **Mineral Waters**, whether natural or artificial

**Natural mineral waters** contain mineral salts or gases. The composition of these waters varies considerably and they are generally classified according to the chemical characteristics or their salts, e.g.:

- (1) Alkaline waters
- (2) Sulphated waters
- (3) Halide waters
- (4) Sulphuretted waters
- (5) Ferruginous waters

Such natural mineral waters may also contain natural or added carbon dioxide.

**Artificial mineral waters** are prepared from ordinary potable water by adding the active principles (mineral salts or gases) present in the corresponding natural waters so as to produce waters of the same properties.

(C) **Aerated Waters** (carbonated waters), i.e. ordinary potable waters charged with carbon dioxide gas under pressure. They are often called “soda waters” or “Seltzer” waters although true “Seltzer” water is a natural mineral water.

The heading **excludes** sweetened or flavoured aerated waters (**heading 22.02**)

(D) **Ice and snow**, i.e. natural snow and ice, and artificially frozen water.

In the present case, the treated water from the effluent plant, will not fall into any of the categories above. Therefore, this treated water will not fit into sl.No.24 of Notification No.01/2017-CT(Rate) dated 28.06.2017.

6.12. It is the claim of the Applicant that the treated water will not fall under the said entry sl.no.99 in Notification No. 2/2017 – Central Tax (Rate) dated 28th June 2017 as it is demineralized water. As per the Customs Tariff Act, de-mineralized water has been grouped in chapter 28 under the heading 28.53 - Distilled and conductivity water and water of similar purity. As per explanatory notes, this heading covers only distilled water, redistilled water or electro osmotic water, conductivity water and water of similar purity, including water treated with ion exchange media, which have got special usages.

6.13. As per the standard Chemistry references, demineralized water is explained as detailed below;

Demineralized water has all its mineral content almost removed. The most common DM water processes are:

1. Deionisation
2. Distillation
3. Electro dialysis
4. Filtration using membranes (Nano filtration or reverse osmosis)

De-mineralized water is obtained by passing water successively through a cation exchange ( in the  $H^+$  form) and an anion exchange (in the  $OH^-$  form) resin and it is free from all soluble mineral salts. The pH of demineralized water is close to 7.0 indicating that, it is neither acidic nor basic as it is almost devoid of salts. The total dissolved solids (TDS) value of the water depends on the amount of minerals that are dissolved in water. When minerals like calcium bicarbonate, magnesium sulphate, and sodium chloride increases then the TDS value increases. The TDS value of demineralized water should always be less than 10 mg/L (ppm) even as low as 1mg/l. TDS levels in spring or mineral waters, on the other hand, range from 50 to 300 mg/L. Demineralized water is suited to a large range of uses from pharmaceutical manufacturing to the automotive industry.

6.14. Upon going through the processes effected by the Applicant, the effluent water is subjected to micro-filtration and sand filtration process to remove suspended impurities. They have then used a series of RO units for removing minerals. In spite of the RO treatment, the TDS of the treated water is higher, which can be seen from the test report. As per the report furnished by The South



India Textile Research Association (SITRA) Textile Testing and Service Centre, test report No.V2300306 dated 09.08.2023 of Sample given for testing, in the case of the Applicant, it is seen that the recovered water contains chlorides, sulphates, Bicarbonates, etc. The TDS levels of the treated water as per the test report is 616 mg/l, which clearly shows the treated water is not demineralized as per the standard norms. From the above, it is clear that treated water cannot be construed as de-mineralized water.

6.15. As already discussed, treated water will not fit into sl.No.24 of Notification No.01/2017-CT(Rate) dated 28.06.2017. Also treated water is not demineralized water as claimed by them but water, without any special characters as indicated in the tariff entries.

6.16. Sl.No.99 entry in Notification No. 2/2017 – Central Tax (Rate) dated 28th June 2017, includes ordinary water and excludes all special category water and the same reads as:

Sl. No.	Heading	Description of Service	Rate
99	2201	Water [other than aerated, mineral, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]	Nil

6.17. Therefore, it is amply clear that, water recovered out of the effluent treatment process nothing but an ordinary water which is suitable for reuse by the dyeing and bleaching units as a solvent and as a washing, rinsing medium. Thus, it aptly fits into Sl. No. 99 of Notification No. 02/2017, CT (Rate), dt.28.06.2017 under the heading 2201 rather than Sl.No.24 of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 under the same heading 2201.

6.18. As per Circular No.179/11/2022, dated 03.08.2022, issued by Ministry of Finance, regarding applicability of GST on various goods and services, it has been clarified that treated sewage water attracts Nil rate of tax. The relevant portion of the Circular stated *supra*, is as under:

***"5.Treated sewage water attracts Nil rate of GST:***

5.1. Representations have been received seeking clarification regarding the applicable GST rate on treated sewage water. Treated sewage water was not meant to be construed as falling under "purified" water for the purpose of levy of GST.

5.2. In general, Water, falling under heading 2201, with certain specified exclusions, is exempt from GST vide entry at Sl. No. 99 of notification No. 2/2017-Central Tax (Rate), dated the 28th June, 2017.

5.3. Accordingly, it is hereby clarified that supply of treated sewage water, falling under heading 2201, is exempt under GST. Further, to clarify the issue, the word 'purified' is being omitted from the above-mentioned entry vide notification No. 7/2022-Central Tax (Rate), dated the 13th July, 2022.

6.19. The same analogy is applicable to the case on hand. The relevant entry in Notification No. 2/2017 – Central Tax (Rate) dated 28th June 2017 is:

Sl. No.	Heading	Description of Service	Rate
99	2201	Water [other than aerated, mineral, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]	Nil

6.20. In this connection, it is observed that, all the other categories of water as mentioned in the exclusion clause have some special characteristics and specialized uses such as they are used in aerated drinks, medicinal/ health uses, automotive cooling system, sterilization, laboratory application, car battery etc. The treated water in the present case would not fit into any of the above mentioned in the exclusion clause.

6.21. In a similar issue, the AAAR, Maharashtra, in its ruling MAH/AAAR/AN-RM/02/2022-23, dated 01.04.2022 in the case of M/s. Rashtriya Chemicals & Fertilizers Ltd., has held that as the water coming out from Sewage Treatment Plant still contains organic and inorganic substances, such as suspended particles, grit, clays, pollutants like nitrogen, phosphorus, etc. is not pure due to presence of



the said impurities and foreign elements and therefore will be eligible for exemption in terms of entry at Sl. No. 99 of Notification No. 02/2017, CT (Rate), dt.28.06.2017.

6.22. In this regard, it is observed that the process carried out by the Applicant involves conversion of effluent water into treated water to make it suitable for reuse by the member units. At the same time, the treated water cannot be put into any other usage, as the same is not completely free of impurities, bacteria and other harmful micro-organisms and chemicals.

6.23. The above facts reiterate that the ultimate intention behind the effluent treatment process is to treat the effluent water discharged by textile units to recover water, salt and other chemicals consumed during the course of dyeing and bleaching to the maximum extent possible so as to reuse the same without getting it discharged to pollute water bodies. Moreover, ZLD has been mandated by the TNPCB for all the highly polluting industries including Textile Dyeing and Bleaching industries in order to prevent pollution of River water and ground water. Therefore, it is evident that the common effluent treatment plant has been set up in order to comply with the legislative and environment regulations thereby conserving water through recovery and reuse and not to manufacture water or chemicals

6.24. Therefore, we find that effluent treated water is eligible for exemption as per Notification No. 2/2017- Central Tax Rate as amended vide notification No.7/2022- Central Tax (Rate), dated the 13th July, 2022 and the relevant entry is as under;

Sl.No.	Heading	Description of Service	Rate
99	2201	Water [other than aerated, mineral, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]	Nil

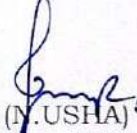
7.0 In view of the above discussion and findings, we rule as under:

**RULING**


1. The classification of treated water to be sold by the applicant is correctly classifiable as per Notification No. 2/2017- Central Tax Rate, as under:

Sl.No.	Heading	Description of Service	Rate
99	2201	Water [other than aerated, mineral, distilled, medicinal, ionic, battery, de-mineralized and water sold in sealed container]	Nil

2. The said treated water is eligible for exemption as per the notification cited supra.

  
(N. USHA) 02.8.2023  
Member (SGST)



  
(J. JAYAPRIYA) 30/08/2023  
Member (CGST)

To

M/s M/s Sirupooluvapatti Common Effluent  
Treatment Plant Private Limited  
SF No. 632, Athuazhi Thottam, Sirupooluvapatti Post,  
Tirupur, Coimbatore - 641 603

//BY RPAD//

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2. The Principal Secretary/Commissioner of Commercial Taxes,  
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3. Master File/ Spare - 2.