

**DEPARTMENT OF COMMERCIAL TAXES, KERALA**  
**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION**  
**U/s.94 OF THE KERALA VALUE ADDED TAX ACT, 2003.**

*Members present are:*

1. *T.V. Kamala Bai, Joint Commissioner (Law), O/o.CCT, Tvpm.*
2. *Abdul Jabbar.V.K, Joint Commissioner (Audit & Inspection), O/o.CCT, Tvpm.*
3. *A. Asok Kumar, Deputy Commissioner (Internal Audit), O/o.CCT, Tvpm.*

Sub: KVAT Act, 2003- Clarification U/s. 94- Rate of tax on Biomass Gassifier -  
Orders Issued.

Read : Application from M/s Paramount Enviro Energies, Kottayam dated  
22/10/2009.

**ORDER No.C3/43254/09/CT DATED 31/3/2011.**

1. M/s Paramount Enviro Energies, Kottayam has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003, seeking clarification on the rate of tax of the commodity Biomass Gassifier.

2. The applicant is manufacturing Biomass Gassifier, which according to them is a Non-conventional energy device for producing power from agricultural waste. The steps involved in the process are:

*Agricultural waste materials such as waste wood, cashew shell, coconut shell, paddy husk, sawdust briquette etc. are put in Gassifier. Gas is produced by the partial combustion of the waste materials. Fire is lit in the Gassifier. Air is blown into the Gassifier using a blower. The Gassifier is located at a distance of about 50 metres from the location where gas is needed.*

3. The applicant contends that the commodity falls under Entry 107(21) of the Third Schedule to the Act detailed below and is taxable at 4% only.

**107. Renewable energy devices and spare parts:  
(21) Agricultural and municipal waste conversion devices  
producing energy.**

**XXXX**

4. The applicant would further contend that Government of India and the State Government through ANERT is promoting Biomass Gassifier as a Non-conventional energy device. The applicant would also contend that Biomass Gassifier is a non-polluting high efficiency renewable energy producing device enabling the users to avail carbon credits under the Clean Development Mechanism project of the United Nations . The applicant has requested to clarify the rate of tax of the commodity.

5. The authorised representative of the applicant was heard and the contentions raised were examined.

6. As per the conversion process detailed herein above, Biomass Gassifier converts woody biomass/agricultural waste into a combustible gas which can be used in a number of

ways. This combustible gas is called producer gas which can be used as a substitute for diesel etc.

7. Hence, the commodity Biomass Gassifier is a renewable energy device classifiable under Entry 107(21) of the Third Schedule to the Kerala Value Added Tax Act, 2003, and is taxable at 4%.

The issue raised above is clarified accordingly.

T.V. Kamala Bai  
Joint Commissioner (Law)  
O/o CCT

Abdul Jabbar.V.K  
Joint Commissioner (A&I)  
O/o CCT

A. Asok Kumar  
Deputy Commissioner (IA)  
O/o CCT

To

M/s S. Anil Kumar & K.S. Hariharan,  
Advocates, 39/4751 A,  
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