

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.111/2015-2016
Acts cell-II/285/2016

Dated:07.06.2018

- 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. Jai Ganesh Enterprises, No.44A, IInd Floor, GST Road, Guindy, Chennai-600 032.
2.	Registration Certificate No.	:	TIN : 33390845135 CST : 985654
3.	Assessment Circle	:	Alandur Assessment Circle.
4.	Date of application	:	22.12.2015
5.	Date of receipt of application	:	05.01.2016
6.	Clarification sought for	:	Rate of tax on " Electronic Speed Limiter "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl.Jai Ganesh Enterprises, No. 44A, IInd Floor, GST Road, Guindy, Chennai-600 032 (TIN 33390845135), registered dealer in the files of Alandur 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 "**Electronic Speed Limiter**".

2.2. The applicant-dealer have stated that the commodity also called as Speed Governor used for Four Wheeler to per-set maximum speed not exceeding 60 kilometers per hour in respect of transport vehicles carrying hazardous goods, dumpers, tankers and School buses and 80 kilometers in respect of other Transport vehicles. They have also stated that the said goods is taxable at 5% in the neighbouring State of Andhra Pradesh whereas 14.5% charged in Tamil Nadu. They have further stated that since VAT rate is higher in Tamil Nadu, in order to comply with the notification issued by the State in G.O.Ms.No.563 Home (Tr.V) Department dated 10.06.2010, the vehicle owners prefer purchasing Electronic speed limiter from other States. Though the applicant dealer requested for applicable rate of tax for the commodity Electronic Speed Limiter in their application in Form VV, in their covering letter actually requested to reduce the rate of tax for the said commodity to 5% as the vehicle owners prefer purchasing Electronic speed limiter from other States by paying CST rate of 5%.

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. Electronic Speed Limiter also known as Speed Governor is a device used to measure and regulate the speed of the machine,

such as an engine. The primary function of the device is to control the speed of the engine in order to limit the vehicle speed to a pre-specified value. The speed governor comes in three types viz., Fuel based, Cable based and Fly by wire. These are all spares and accessories to the motor vehicles fitted and mounted on Gear Box.

4.2 Entry 49 of Part-C of the First Schedule to the TNVAT Act, 2006 reads as follows:-

"Motor Vehicles, chasis of motor vehicles, motor cycles, motor combinations, motor scooters, mopeds, motorettes, three wheelers, motor vessels, motor engine, trailers, motor bodies built on chasis of motor vehicles and bodies built on motor vessels, components, spare parts and accessories thereof"

Thus, Electronic Speed Limiter being an accessory fixed and mounted on Gear box in all the vehicles detailed above, definitely, the commodity for which clarification sought falls in the above said entry taxable @ 14.5%.

5. In view of the above, it is clarified that **"Electronic Speed Limiter"** is a spare part and accessories of the motor vehicle and therefore taxable @ 14.5% as per Entry 49 of Part-C of the First Schedule to the TNVAT Act, 2006.

Dated this the Seventh day of June 2018.

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

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

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

To

Tvl.Jai Ganesh Enterprises,
No.44A, IInd Floor,
GST Road, Guindy,
Chennai-600 032.

Copy to:

The Assistant Commissioner (ST),
Alandur 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 08/06/18.