

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING**
(Under Section 48-A of TNVAT Act, 2006)

**Present: 1. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. E. Rathinasamy, M.Sc., B.L.,
Additional Commissioner (RP) (FAC)**

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A.C.A.A.R 72/ 2012-13

Dated 20.02.2013

- Ref: 1. Application of Tvl.Sunbeem Generators Private Limited, SF 16/8, Thirumurugan Nagar, Perambai Village, Tindivanam Taluk, dated 31.10.2012.
2. CCT Letter No.Act Cell-II/35472/12, dated 22.01.2013.

Tvl.Sunbeem Generators Private Limited, SF 16/8, Thirumurugan Nagar, Perambai Village, Tindivanam Taluk (TIN: 33914723685) have filed an application and sought clarification under Section 48-A of the TNVAT Act, 2006 read with Rule 12-A of the TNVAT Rules, 2007.

2. The clarification was sought on the following in column 4 of Form V V:

“Generating sets used for producing electricity”.

3. It was stated that they are manufacturing generator sets for producing electricity and that electric generator is a device that converts mechanical energy to electrical energy. An alternator is the equipment where mechanical energy is converted into electrical energy. In the whole process, the point where electricity is generated is the alternator. The product manufactured by them is a complete machine consisting of

engine, alternator and other accessories to produce electricity and hence generators and generating sets are one and the same.

4. Thiru.S.Suthanthiranathan, Authorized Representative appeared for the personal hearing on 05.02.2013 and reiterated the information furnished along with the application.

5. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and clarification is given as under:

6. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerning rate of tax.

7. The dealer has sought clarification on "**Generating sets**".

8. "Generator, Generating sets and non-electronic voltage stabilizers" are taxable at 14.5% under Entry 39 of Part C of the First Schedule. However, "Generators used for producing electricity" are taxable at the reduced rate of 4% with effect from 01.04.2008 and at 5% from 12.07.2011. The dealer sought clarification on "Diesel Generator Set". By Notification No. II (1) / CTR/ 35(b-2)/2012, dated 8.12.2012 (G.O.Ms.No.154, dated 08.12.2012), the tax payable by any dealer on the sale of Generating sets (Gen-sets) used for producing electricity was reduced to 5% from 14.5%. Therefore, generator sets used for producing electricity are taxable at the reduced rate of 5% from 07.12.2012 and at 14.5% upto 06.12.2012.

9. The clarification, therefore, is that "**Generating sets**" are taxable at the reduced rate of 5% on and from 07.12.2012 and at 14.5% upto 06.12.2012.

Sd/- R.Chandramohan
Additional Commissioner (PR)

Sd/-E. Rathinasamy
Additional Commissioner(RP)(FAC)

Sd/- K. Manivasan
Commissioner of Commercial Taxes

To

Tvl.Sunbeem Generators Private Limited,
SF 16/8, Thirumurugan Nagar,
Perambai Village,
Tindivanam Taluk

Copy to:
Assistant Commissioner (CT)
Tindivanam Assessment Circle,
Joint Commissioner (CT),
Vellore Division.

Joint Commissioner (CS)
To host in the Department Website

Government, Commercial Taxes & Registration Department,
Chennai - 9.

All Joint Commissioners (CT) including Enforcement, LTU. MOU and ISIC
All Deputy Commissioners (CT), 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 File3 / Act Cell II / Spare - 5.

//forwarded by order//


26/2/13
Commercial Tax Officer.