

**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 88/ 2012-13**

**Dated 14.02.2013**

Ref: Application of Tvl.Mahindra & Mahindra  
Limited, Old No.827, New No.86, Anna Salai,  
Chennai – 600 002, dated NIL.

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Tvl.Mahindra & Mahindra Limited, Old No.827, New No.86, Anna Salai, Chennai – 600 002 (TIN: 33510640011) 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:

**“Diesel Generator Sets”.**

3. It was stated in the application that diesel engine is coupled with alternator to produce electricity. Alternator is an electro mechanical device that converts mechanical energy in the form of alternating current. Any AC electric generator can be called an alternator. It is called as generator set / diesel generator / DG in common parlance. It was stated that in the Notification granting reduction of tax rate, there is no specific mention about generating sets as only “generators used for producing electricity” have been granted tax reduction and further stated that the term “generators used for producing electricity” takes within its scope DG sets and hence the commodity is to be taxed at 5% only.

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

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

6. The dealer has sought clarification on "**Diesel Generator Sets**".

7. "Generator, Generating sets and non-electronic voltage stabilizers" are taxable at 14.5% under Entry 39 of Part C to 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% with effect 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 14.5% upto 06.12.2012.

12. The clarification, therefore, is that "**Diesel 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.

Sd/- R.Chandramohan  
Additional Commissioner (PR)

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

Sd/- K. Manivasan  
Commissioner of Commercial Taxes

To

Tvl.Mahindra & Mahindra Limited,  
Old No.827, New No.86,  
Anna Salai,  
Chennai – 600 002  
Copy to:

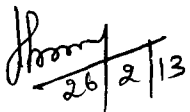
The Assistant Commissioner (CT)  
LTU Assessment Circle, Chennai.  
The Joint Commissioner (CT),  
LTU Division.

The Joint Commissioner (CS)  
To host in the Department Website

The Secretary to 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.