

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.37/2016-17
Acts cell-II/28130/2016

Dated:30.12.2016

- Present:**
1. Dr. C. Chandramouli, I.A.S.,
Additional Chief Secretary / Commissioner of Commercial Taxes.
 2. Thiru. A. Sarvar Allam,
Additional Commissioner (CT), (Public Relations)(FAC)
 3. Thiru. K. Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. International Seaport Dredging Pvt Ltd, No.62/113, 5 th Floor, Challam Towers, Dr. Radha Krishnan Salai, Chennai - 600 004
2.	Registration Certificate No.	:	TIN.No. 33670620426 CST:032324
3.	Assessment Circle	:	Mylapore Assessment Circle
4.	Date of application	:	06-10-2016
5.	Date of receipt of application	:	13-10-2016
6.	Clarification sought for	:	Dredging and Reclamation services executed at Kamarajar Port, Chennai
7.	Date of Personal Hearing	:	28-11-2016
8.	Represented by	:	Thiru. Kannan Subramanian, GM-Finance

ORDER

Tvl. International Seaport Dredging Pvt Ltd, No.62/113, 5th Floor, Challam Towers, Dr. Radha Krishnan Salai, Chennai - 600 004 (TIN.No. 33670620426), registered dealers in the files of Mylapore 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 Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2.1. The applicant-dealers have stated that they have undertaken a contract for capital dredging at Ennore for Kamarajar Port Ltd. The scope of their job consists of dry excavation, dredging and reclamation services. Dredging involves the use of specialized ship called dredger for removing the sand from the sea bed in the specified area which is to be deepened, and dumping it in another part of the sea. They hire dredgers for this specific purpose from foreign companies for carrying out the contract.

2.2. It is further stated that the foreign company dredgers used by them are imported into India under custom bill of Entry. Also as per Section 4 of the TNVAT Act, these hired dredgers will not attract any VAT. The applicant-dealers contended that the dredging and reclamation service executed by them has no transfer of material involved and hence this activity will not attract VAT under Works Contract of the TNVAT Act, 2006.

3. The applicant-dealers sought for personal hearing and accordingly they were heard on 28.11.2016. Thiru. Kannan Subramanian, GM-Finance appeared for the hearing and filed written statements along with documentary evidences.

4.1. The Dredging and Reclamation service executed at Kamarajar Port Ltd, Chennai by the applicant-dealers does not attract VAT under Works Contract Section 5 / Section 6 as this process involves no transfer of property in taxable goods.

4.2. Under Sec. 48-A of TNVAT Act, this committee can clarify any point concerning rate of tax of commodities only. Here the applicants have sought clarification on the tax liability on a non-taxable transaction and hence this application is not maintainable under Sec. 48-A of TNVAT Act, 2006.

Dated this the Thirtieth day of December 2016.

Sd/- A. Sarvar Allam,
Additional Commissioner (PR)(FAC)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- Dr.C. Chandramouli, I.A.S
Additional Chief Secretary/
Commissioner of Commercial Taxes

To
 Tvl. International Seaport Dredging Pvt Ltd,
 No.62/113, 5th Floor, Challam Towers,
 Dr. Radha Krishnan Salai,
 Chennai – 600 004

Copy to:
 The Assistant Commissioner (CT)
 Mylapore Assessment Circle

The Joint Commissioner (CT),
 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 (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 File 3/ Acts Cell-II /Spare – 5.

//Forwarded/by Order//

K. S. Manojan
 21/11/17
 Commercial Tax Officer