

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.68/2016-17
Acts cell-II/7591/2017

Dated: 25.04.2018

- 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. Thiru C. Palani,
Additional Commissioner (ST), (Revision Petition)(FAC)

1	Name and address of the Applicant	:	Tvl. Rockfort Bore Wells, No.10, II nd Cross, Lakshmipuram, Tanjore Main Road, Ariyamangalam, Trichy - 620 010.
2.	Registration Certificate No.	:	TIN No. 33723562748
3.	Assessment Circle	:	Thiruverumbur Assessment Circle
4.	Date of application	:	08-03-2017
5.	Date of receipt of application	:	13-03-2017
6.	Clarification sought for	:	Rate of tax on Civil Works
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Rockfort Bore Wells, No.10, IInd Cross, Lakshmipuram, Tanjore Main Road, Ariyamangalam, Trichy - 620 010 (TIN.No.33723562748), a registered dealer in the files of Thiruverumbur 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. The applicant-dealers have sought for clarification on the "**Civil Works**".

3. In Form VV against the column 4(a) i.e., Name of the goods for which clarification or Advance ruling is sought, the applicant-dealer instead of mentioning the name of the Commercial Goods involved in their transactions, specified the nature of service carried out by them i.e Civil Works. In the covering letter along with the application the applicant-dealer stated that they are dealing with civil contract work. Majority of their work is bore well and accordingly sought to clarify that Construction of bore wells as "Civil Construction work". The applicant-dealer have also enclosed the Hon'ble High Court of Kerala judgement in the case of Tony Vs State of Kerala dated Dec 21, 2009 wherein, it was observed as follows:

".... the digging of well as such does not involve any tax on works contract. The position is the same so far as bore-well is concerned because the difference between ordinary well and bore-well is only, on dimension and probably depth. Driving of bore-well is a mechanical process and the driller while driving the bore brings out earth and from the bore-well at the desired depth. Like ordinary well, driving of bore-well also does not involve supply of any goods and so much so there cannot be any sales tax on works contract."

4. As per the letter submitted along with form VV application, it could be understood that the nature of business is works contract. Thus, the clarification sought is with regard to execution of works contract entrusted to them by way of execution of bore well works. This does not fall under the category of goods only and it is mixture of goods and service.

5. Section 48-A deals with clarification regarding rate of tax on goods. Since the application pertaining to civil works the provisions of the Act i.e., Section 5 or 6 shall be applicable as the case may be and therefore, the application filed in form VV cannot be entertained under Section 48-A of TNVAT Act, 2006 read with Rule-12A of the TNVAT Rules, 2007. Hence the application is adjudged as "Not Entertainable" under Section 48-A of the TNVAT Act 2006.

6. Therefore, the application stands disposed as **"NOT ENTERTAINABLE"**

Dated this the twenty fifth day of April 2018.

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

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

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

To
Tvl. Rockfort Bore Wells,
No.10, IInd Cross, Lakshmpuram,
Tanjore Main Road, Ariyamangalam,
Trichy - 620 010.

Copy to:
The Assistant Commissioner (CT)
Thiruvarambur Assessment Circle, Trichy.

The Joint Commissioner (CT),
Trichy 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//


State Tax Officer 10/1/18
