
	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	
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BEFORE THE AUTHORITY OF: *Shri. B.G. Krishnan, IRS &*
: Shri. B.S. Thyagarajababu B.Sc, LL.M

Legal Name of the applicant	M/s. TATA Projects Limited
GSTIN	32AAACT4119L1ZH
Address	Edachira, Heera Cyber View, 5 th Floor-C, Thengode Post, Kakkanad, Ernakulam – 682030
Advance Ruling sought for	<ul style="list-style-type: none"> • <i>Whether the supply under the contract for 'Design, Realisation, Integration and Commissioning of 1.2m Trisonic Wind Tunnel' at Vikram Sarabhai Space Centre, ISRO, Thiruvananthapuram can be considered as supply of equipment eligible for the concessional rate of GST under Sl.No.243A of First Schedule of Notification No.01/2017 Integrated Tax (Rate) dtd.28-06-2018.</i> • <i>If the above supply is considered as works contract whether it would be covered under Entry Sl.No.3 of Notification No.08/2017 Integrated Tax (Rate) dtd.28-06-2017 as amended by Notification No.24/2017 Integrated Tax (Rate) dtd.21-09-2017 attracting GST at the rate of 12%.</i>
Date of Personal Hearing	30-09-2019
Authorized Representative	Ms. Satya Kalyani .R, Asst. General Manager

ADVANCE RULING No. KER/62/2019 Dt.15.10.2019

M/s. Vikram Sarabhai Space Centre, Department of Space, Government of India entered into a contract with Tata Projects Ltd, Mumbai for design, realization, integration and commissioning of 1.2m Trisonic Wind Tunnel at Thiruvananthapuram. The work involves aerodynamic structural and control design analysis, detailed design, detailed engineering, fabrication, procurement, inspection, third party inspection, loading and unloading of material, transportation to site, civil and electrical works, integration of systems, training, documentation, acceptance, testing and commissioning of 1.2m Trisonic Wind Tunnel. They sought for advance ruling on the following:

- *Whether the supply under the contract for 'Design, Realisation, Integration and Commissioning of 1.2m Trisonic Wind Tunnel at Vikram Sarabhai Space Centre, ISRO, Thiruvananthapuram can be considered as supply of equipment eligible for the concessional rate of GST under Sl.No.243A of First Schedule of Notification No.01/2017 Integrated Tax (Rate) dtd.28-06-2018.*
- *If the above supply is considered as works contract whether it would be covered under Entry Sl.No.3 of Notification No.08/2017 Integrated Tax (Rate) dtd.28-06-2017 as amended by Notification No.24/2017 Integrated Tax (Rate) dtd.21-09-2017 attracting GST at the rate of 12%.*

The authorized representative was heard. It is stated that the work involves the fabrication of machineries, transportation of equipments to be attached to the system, construction of civil structure where the machinery is to be installed, electrical works, integration of all bought out and fabricated items inside the civil buildings as an immovable system. The final product is an immovable system for test set up which will be used purely for Research and Development purpose to design Launch Vehicle and Re-entry Space Craft. The civil work as well as the machinery and equipments inside become an integral and inseparable system. The testing equipment consisting of various components and civil structure can be worked only inside a specially constructed building. The whole set up becomes a composite system and the components cannot be used in isolation.

The issue was examined in detail. As per Sl.No.243B of First Schedule of Notification No.01/2017 Integrated Tax (Rate) dated 28.06.2017 [Entry No.243A of 1st Schedule of Notification No.01/2017 Integrated Tax (Rate) dated 28.06.2017 introduced by Notification No. 07/2018 Integrated Tax (Rate) dated 25.01.2018 and subsequently renumbered as 243B by Notification No.25/2018 Integrated Tax (Rate) dated 31-12-2018] the scientific and technical instruments, apparatus, equipments, accessories, parts and components, spares and tools, mock ups and modules, raw materials and consumables required for launch vehicles and satellite and payloads has been granted concessional rate of GST of 5%. This entry does not include installation, commissioning and fitting out of a civil structure as the concessional rate of tax is given only to the scientific and technical instruments, apparatus etc.

From the submissions of the applicant, it is seen that the 1.2m Trisonic Wind Tunnel that is finally commissioned is an immovable system for test set up to be used purely for Research and Development purpose to design Launch Vehicle and Re-entry Space Craft. On commissioning of the project, the civil work as well as the machinery and equipments inside become an integral and inseparable system. As the installation and commissioning of the 1.2m trisonic Wind Tunnel includes works of civil structural, engineering, fabrication; procurement, electrical, pipelines and fire fighting systems, overall integration of the systems, commissioning, performance testing and training it is clear that the work will fall under the definition of works contract under Section 2 (119) of CGST Act, 2017.

The activity being a works contract awarded by the Central Government Department by way of construction, erection, commissioning, installation, completion, fitting out, of a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession will attract 12% GST as per Sl.No.3 (vi) of Notification No.08/2017 Integrated Tax (Rate) dated 28.06.2017. The Explanation to Item 3 (vi) of the above notification reads as follows; "For the purposes of this item, the term 'business' shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities". In this case, VSSC is undertaking the activity of research and development to design Launch Vehicle and Re-entry Space Craft as a public authority.

In view of the observations stated above, the following rulings are issued:

- *Whether the supply under the contract for 'Design, Realisation, Integration and Commissioning of 1.2m Trisonic Wind Tunnel at Vikram Sarabhai Space Centre, ISRO, Thiruvananthapuram can be considered as supply of equipment eligible for the concessional rate of GST under Sl.No.243A of First Schedule of Notification No.01/2017 Integrated Tax Rate dtd.28-06-2017.*

The supply under the contract cannot be considered as supply of equipment eligible for concessional rate of goods and services tax as per Sl.No.243B of First Schedule of Notification No.01/2017 Integrated Tax (Rate) dated 28.06.2017.

- If the above supply is considered as works contract whether it would be covered under Entry Sl.No.3 of Notification No.08/2017 Integrated Tax (Rate) dtd.28-06-2017 as amended by Notification No.24/2017 Integrated Tax (Rate) dtd.21-09-2017 attracting GST at the rate of 12%.

The work of design, realisation, integration and commissioning of 1.2m Trisonic Wind Tunnel as a turnkey project will fall under the definition of works contract under Section 2 (119) of the CGST Act, 2017. The Service provided to the Central Government by way of construction, erection, commissioning, installation, completion, fitting out, of a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession will attract 12% GST as per Sl.No.3(vi) of Notification No.08/2017 Integrated Tax (Rate) dated 28.06.2017.



B.G. Krishnan, IRS
Joint Commissioner of Central Tax
Member



B.S. Thyagarajababu, B.Sc, LL.M
Joint Commissioner of State Tax
Member

To,

M/s. TATA Projects Limited,
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