

M/s Vedant Synergy Pvt. Ltd.

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2019-20/11 dated 03.06.2019

Q Questions Before the Authority

- What is the classification of goods and services supplied by the applicant?
- What will be the applicable rate of GST on goods and services supplied by the applicant?

F Facts

The applicant participated in a tender for the selection of a System Integrator to implement and maintain a Software Video Conferencing (VC) solution for the Centre for e-Governance, Government of Karnataka. The project involves the supply, installation, and commissioning of various hardware components like MCUs, cameras, and speakers, alongside the provision of VC engineers, helpdesk support, and ongoing AMC services. The applicant contended that this arrangement constitutes a works contract service subject to 12% GST.

H Ruling

Classification of goods and services	HSN 998316 (Information technology infrastructure and network management services)	None
Applicable rate of GST	18% (SGST 9% + CGST 9%)	None

The Authority ruled that the supply is a composite supply where the principal supply is the Video Conference software/solution, not a works contract. Consequently, the entire supply is classified under HSN 998316 and attracts a GST rate of 18%.

R Reasoning

The Authority determined that the supply is a composite supply under Section 2(30) of the GST Act because the goods and services are naturally bundled with the VC software as the principal supply. It rejected the applicant's claim of a works contract under Section 2(119) because the supplied equipment is not of an immovable nature and can be dismantled. Relying on the definition of principal supply under Section 2(90), it concluded that the essential element is the VC software/network. Therefore, the supply falls under HSN 998316 as per Notification No. 11/2017-Central Tax (Rate).

P Provisions Relied On

Section 2(30) of the CGST/SGST Act

Section 2(90) of the CGST/SGST Act

Section 2(119) of the CGST/SGST Act

Section 8 of the CGST/SGST Act

Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017

! For the Practitioner

This ruling clarifies that IT-related system integration projects involving hardware and maintenance are generally treated as **composite supplies** of services rather than works contracts if the equipment is not immovable. It serves as a precedent for classifying integrated VC solutions under **HSN 998316** at an 18% tax rate. Practitioners should note that the classification hinges on identifying the **principal supply** within the bundle.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [raj.aar-2019-20_11-vedant_synergy.pdf](#)

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