# M/s. Prasa Infocom & Power Solutions Private Limited

Authority for Advance Ruling — Maharashtra

**GST-ARA-26/2019-20/B-43, Mumbai** Dated **18.03.2020**

## Q Questions Before the Authority

- Whether supply of goods and service by Prasa Infocom & Power Solutions Private Limited to Cray Inc. (Cray) qualify as 'works contract' as defined under Section 2(19) of the Central Goods and Services Tax Act, 2017 (CGST Act)?

## F Facts

The applicant, a data centre construction and contracting firm, was sub-contracted by Cray Inc. under a contract dated 05.05.2017 for a data centre project for the Ministry of Earth Sciences at Pune. The applicant's scope, under statements of work, covered design approval, civil and mechanical works, supply, installation, testing and commissioning of equipment, documentation and training, and three years of maintenance. The applicant argued the data centre is immovable property, so the whole transaction is a works contract taxable at 18%.

## H Ruling

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| **Whether supply of goods and services by the applicant to Cray qualifies as a works contract under Section 2(19) (2(119)) of the CGST Act** | ****Answered in the negative**** | The Authority found a composite supply with goods as principal supply, but no works contract because no immovable property was built, installed or altered with transfer of property in goods. |

The Authority held that the supply is a composite supply in which goods are the principal supply, but that no building, construction, installation, fitting out or similar activity on any immovable property, involving transfer of property in goods, is involved in the execution of the contract. The value of goods and services is clearly distinct in the agreement and statements of work, and the civil component is insignificant. Accordingly, the supply does not qualify as a works contract under Section 2(119) of the CGST Act.

## R Reasoning

The Authority found that the agreement and statements of work separately price goods, installation, and AMC, and that the goods are sold for separate consideration. Applying Section 2(30), it treated the arrangement as a composite supply of which goods are the principal supply. It then examined the Section 2(119) definition and held that there was no construction or fitting out of any immovable property in which transfer of property in goods was involved. It noted that civil construction was insignificant and that the equipment at Sr. Nos. 2 to 17 was replaceable and not immovable in nature. It distinguished the Jalaram Feeds advance ruling relied on by the jurisdictional officer, and held that the Notification No. 08/2017-I.T.(Rate) benefit was therefore not available.


Prepared as a reading aid. Where this summary and the original order differ, the order governs.

## P Provisions Relied On

Section 2(119) of the CGST Act, 2017 (definition of works contract)

Section 2(30) of the CGST Act, 2017 (definition of composite supply)

Schedule II of the CGST Act, 2017 (as referred to by the Authority)

Section 95 of the CGST Act, 2017 (as raised by the jurisdictional officer on completion of supply; not decided by the Authority)

Notification No. 08/2017-I.T.(Rate) dated 28.06.2017 (as referred to by the parties)

Notification No. 03/2019-I.T.(Rate) dated 29.03.2019 (as referred to by the jurisdictional officer)

Section 98 of the CGST Act, 2017 and the MGST Act, 2017 (order passed under)

## ! For the Practitioner

This order is a useful ruling for equipment-heavy data centre and turnkey IT infrastructure contracts. It confirms that where goods are separately priced and principal in value, with civil work insignificant, the transaction is not a works contract taxable at the works-contract rate. Practitioners should note that it turns on the facts of this agreement and on the Authority's view of immovability. It does not decide whether a data centre is immovable property as a general matter, and it does not address rate notifications for other projects with substantial civil components.

### 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 -> mah_aar_26_2019-20_b-43_18.03.2020_pipspl.pdf

Prepared 20-11-2026.

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