

Precision Automation and Robotics India Limited

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-39/2017-18/B- 46

Dated 13.06.2018

Q Questions Before the Authority

- Whether the activity of supply and installation of 'car parking system' would qualify as immovable property and thereby 'works contract' as defined in Section 2(119) of the CGST Act.

F Facts

The applicant is engaged in the business of design, manufacturing, procurement, erection, and installation of various types of car parking systems, such as stacker, puzzle, and tower parking systems. The process involves creating tailored civil foundations, erecting steel structures, assembling components, integrating electrical systems, and commissioning at the customer's premises. Once installed, the car parking system cannot be moved as-is without complete dismantling into parts and components.

H Ruling

Supply and installation of car parking system as works contract

Answered in the affirmative

Qualifies as works contract under Section 2(119) of CGST Act as it results in immovable property.

The Authority held that the supply and installation of a car parking system results in an immovable property. Consequently, the transaction constitutes a **works contract** under Section 2(119) of the Central Goods and Services Tax Act, 2017.

R Reasoning

The Authority analyzed the operational steps and physical nature of the installation, noting that a car parking system is customized to a specific building or land and requires site-specific foundation and steel/RCC structures. Once assembled and operational, it attains a state of permanency and cannot be shifted to another site without complete dismantling involving loss or damage. Applying tests established by the Supreme Court in decisions like **T.T.G. Industries Ltd.** and **Solid and Correct Engineering Works**, the Authority concluded that the installation is permanently annexed to the earth/building for its beneficial enjoyment. Since the process involves transfer of property in goods in the execution of building, erecting, and commissioning an immovable property, it satisfies the criteria for a **works contract** under Section 2(119) of the CGST Act.

P Provisions Relied On

Section 2(119) of the CGST Act, 2017

Section 2(30) of the CGST Act, 2017

Section 3(26) of the General Clauses Act, 1897

Section 3 of the Transfer of Property Act, 1882



For the Practitioner

This ruling establishes that turnkey engineering projects involving tailored site assembly, erection, and structural integration—such as automated car parking systems—also be classified as **works contracts** rather than mere sales of goods. It benefits EPC contractors and mechanical system suppliers seeking clarity on immovability parameters under GST. The ruling specifically addresses the works contract definition and explicitly refrains from deciding alternative composite supply classifications.

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_39_2017-18_b-46_13.06.2018_paril.pdf

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