

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017**

Members present:

Shri Balakrishna S, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit II Commissionerate, Chennai - 600 034.	Shri B.Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No. 11/ARA/2025, dated 27.03.2025

- 1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.*
- 2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*
 - (a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*
 - (b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.*
- 3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*
- 4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*
- 5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.*

GSTIN Number, if any/User id	33MRIL00160G1DX
Legal Name of Applicant	M/s. ISRO PROPULSION COMPLEX
Registered Address/ Address provided while obtaining User id	Kavalkinaru, Mahendragiri, Tirunelveli 627 133.
Details of Application	Application Form GST ARA-01 received from the applicant on 23.02.2024.
Jurisdictional Officer	Center – Madurai Commissionerate, Tirunelveli Division. State – Nanguneri Assessment Circle, Tirunelveli Division
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Works Contract Contract for establishment of Integrated Cryogenic Engine and Stage Test Facility for Satellite Launch Vehicle Program signed among ISRO Propulsion Complex, Mahendragiri, M/s.Tata Projects Limited, Mumbai and M/s.Cryogenic PJSC, Russia. The scope of contract includes supply of Indigenous service as well as imported materials and rendering of service.
Issues on which advance ruling required	Determination of the liability to pay tax on any goods or services or both
Question(s) on which advance ruling is required	Whether the rate of GST reimbursable to M/s. Tata Projects Limited, Mumbai shall be 5% as per the Bill of Entry or 12% considering that the overall contract falls within the definition of the Works Contract.

M/s. ISRO PROPULSION COMPLEX, Kavalkinaru, Mahendragiri, Tirunelveli 627 133 (hereinafter called as the "Applicant") has signed a contract with M/s. Tata Projects Limited, Mumbai (Prime Contractor) and M/s. Cryogenic PJSC, Russia (Co-contractor) for establishment of Integrated Cryogenic Engine and Stage Test Facility (ICET) for Satellite Launch Vehicle Program. The scope of contract includes supply of indigenous service as well as imported materials and rendering of service by Prime Contractor and Co-contractor. They are registered under the GST Acts with GSTIN 33MRIL00160G1DX.

2. The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and SGST Rules, 2017. The Applicant have preferred this application seeking Advance Ruling on the following question,

"Whether the rate of GST reimbursable to M/s. Tata Projects Limited, Mumbai shall be 5% as per the Bill of Entry or 12% considering that the overall contract falls within the definition of the Works Contract?"

Statement of facts in brief:

3.1 The applicant has submitted the following relevant facts having a bearing on the questions raised on their application,

"For imported materials, Department is eligible to avail concessional rate of Custom Duty. As per the contract, Custom Duty is reimbursable at actual based on the documentary evidence i.e. Bill of entry. As per the Bill of Entry, Custom Duty @ 5% (+) 10% Social Welfare Cess (SWC) on Custom Duty (+) GST @ 5% on (Custom Duty (+) SWC) is levied by Custom Department. IPRC has already reimbursed the Customs Duty @ 5% (+) 10% Social Welfare Cess (SWC) on Custom Duty to Tata Projects Limited, Mumbai. With respect to IGST, IPRC is willing to reimburse the amount equivalent to IGST as per the Bill of Entry. However, Tata Projects Limited, Mumbai have claimed IGST @ 12% on (Custom Duty (+) SWC) as the applicable rate of GST for Work Contract is 12%. Accordingly, IPRC is facing difficulty in settling the difference amount of GST due to lack of clarity on admissibility of the same."

3.2 It is seen that the applicant has reiterated the statement of facts in their application as the applicant's interpretation of law.

4.1. The applicant falls within the administrative jurisdiction of 'CENTER', and the Central Jurisdictional Authority vide their letter dated 24.06.2024 have informed that no proceedings are pending in respect of the applicant on the issue raised by them in their application.

4.2. The Jurisdictional State Officer viz., the State Tax Officer, Nanguneri Assessment Circle, vide their letter dated 17.02.2025 stated that no proceedings are pending in respect of the questions raised in the application.

Personal Hearing

5.1 The applicant was given an opportunity to be heard in person on 28.01.2025 vide this office reference No.10/2024/ARA, dated 08.01.2025. Shri. S.Anandasivan, Head, Purchase and Stores, Smt. S.L. Sheeba, Head, Accounts/IFA appeared for personal hearing as Authorised Representatives of the applicant. During the personal hearing, the AR informed that the applicant is in a tri-party agreement with M/s. Tata Projects Limited and M/s. Cryogenmash PJSC, Russia for turnkey project namely 'Establishment of Integrated Cryogenic Engine & Stage set facility'. The type of contract is 'Engineering, Procurement and Construction on Lump-sum Turn-Key basis'. AR explained the role of the applicant and M/s. Tata Projects Limited.

5.2 As per the agreement, IPRC reimburse/pay goods and Service Tax (GST) and Customs Duty as applicable for the materials (indigenous & imported) at actuals at the rate prevailing at the time of transaction. While M/s. Tata Projects Limited imports goods at concessional rate of customs duty and IGST, they are invoicing the applicant with applicable GST @12% as works contract service. Further, while claiming reimbursement of Customs duty also, M/s. TPL is submitting claim with 12% IGST even though it is only 5% as per Bill of Entry. Accordingly, IPRC is facing difficulty in settling the difference amount of GST due to lack of clarity on the admissibility of the transaction with M/s. Tata Projects Limited and requested for Advance Ruling as to 'whether the rate of GST reimbursable to Tata Projects Limited, Mumbai, on Customs duty shall be 5% as per the Bill of Entry or 12% considering the overall contract which falls within the definition of 'Works Contract'. The AR submitted the copy of the contract, sample copies of invoices raised by M/s. Tata Projects and sample copies of Bill of Entry.

Discussions and Findings:

6.1 We have carefully examined the statement of facts, the submissions made during the personal hearing and the supporting documents filed by the Applicant. As per Section 97(2) of the CGST Act, 2017, the questions on which the advance ruling is sought under this Act, shall be in respect of:-

- (a) Classification of any goods or services or both;
- (b) Applicability of a notification issued under the provisions of this Act;
- (c) Determination of time and value of supply of goods or services or both;
- (d) Admissibility of input tax credit of tax paid or deemed to have been paid;
- (e) Determination of the liability to pay tax on any goods or services or both;
- (f) Whether applicant is required to be registered;
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

In the instant case, it is seen that the applicant has raised a question seeking an answer as to whether the rate of GST reimbursable to M/s. Tata Projects Limited, Mumbai shall be 5% as per the Bill of Entry or 12% considering that the overall contract falls within the definition of the Works Contract. Further, in Sl.No.13 of the application dated 28.03.2024 for advance ruling filed by the applicant, they have indicated that the said query falls under the scope of 'Determination of the liability to pay tax on any goods or services or both'. From the statement of facts furnished by the applicant in their application and from the submissions made during the personal hearing, we come to understand that the determination of the liability to pay tax vests with the contractor M/s. Tata Projects Limited, Mumbai, in the instant case, and not with the applicant.

Therefore, it becomes clear that in this case, the assessment to tax does not relate to the applicant, who happens to be the recipient of service only, and the question raised in the application for advance ruling is about reimbursement of charges to the supplier of service. As the said question does not fit into any of the clauses at (a) to (g) of Section 97(2) of the CGST Act, 2017, as enumerated above, we are of the considered opinion that no ruling could be pronounced in this regard.

6.2 Accordingly, a notice/letter dated 26.02.2025 was duly served on them by RPAD and through email, wherein it was informed that -

- The activity of supply of goods or services is being undertaken only by M/s.Tata Projects Limited.
- As per the definition of 'Advance Ruling', as laid down in Section 95(a) of the CGST Act, 2017, only the applicant who undertakes, or who proposes to undertake supply of goods/services can seek advance ruling in relation to supply of goods or services.
- The clarification sought by the applicant does not fall under any of the categories specified under section 97(2) of the CGST/TNGST Act, 2017 as the applicant neither engaged in supply of goods nor supply of services.


Accordingly, the applicant was requested to offer their reply/comments, as to why their application should not be rejected on the said grounds.

6.3 The applicant did not file any reply to the notice issued. A reminder dated 14.03.2025 reiterating the contents of the original notice was also issued to the applicant which was sent by RPAD and through email. However, we bring to note that till date, the taxpayer has not filed any reply to the notice and the reminder which were sent to them on 26.02.2025 and 14.03.2025 respectively. Hence, it is construed that, the applicant has no reason to file, and in view of the same, we are of the considered opinion that no ruling could be pronounced in this case.


7. In view of the above, we rule as under :-

Ruling

No ruling is issued in this case, as the question put forth by the applicant does not fall under the scope of Section 97(2) of the CGST/TNGST Acts, 2017.


(B.Suseel Kumar)
Member (SGST)




(Balakrishna S)
Member (CGST)

To

M/s. ISRO Propulsion Complex,
Kavalkinaru, Mahendragiri,
Tirunelveli 627 133.
(By RPAD)

Copy submitted to

1. The Principal Chief Commissioner of GST and Central Excise,
26/1, Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.
3. The Commissioner of GST and Central Excise,
Madurai Commissionerate,
Central Avenue Building,
No.4, Lal Bahadur Shastri Road,
Bibikulam, Madurai 625 002.

Copy to:

1. The State Tax Officer,
Nanguneri Assessment Circle,
Commercial Taxes Building,
SF 29-3-Kalakad Main Road,
Civil Supply Godwon Nearest,
Nanguneri 627 108.
2. Stock File – A1