GUJARAT APPELLATE AUTHORITY FOR ADVANCE RULING  
  
GOODS AND SERVICES TAX gl  
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, MARKET  
  
AHMEDABAD:380009  
  
ADVANCE RULING(APPEAL) NO. GUJ/GAAAR/APPEAL/2023/08  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2022/AR/02)  
  
Date : (54.49.2023  
Name and address of the |: | M/s. IDMC Limited,  
appellant 124-128, GIDC Estate, Vithal Udyognagar,  
Anand, Gujarat — 388 121  
GSTIN of the appellant : | 244AAACI4631E1Z3  
  
Advance Ruling No. and/: | GUJ/GAAR/R/2022/14 dated 14.03.2022  
Date  
  
4 “  
Date of appeal : {13.04.2022  
Date of Personal Hearing : | 06.01.2023 and 26.07.2023  
Present for the appellant : | Hardik Shah C.A.  
  
At the outset we would like to make it clear that the provisions of the  
Central Goods and Services Tax Act, 2017 and Gujarat Goods and Services Tax  
Act, 2017 (hereinafter referred to as the ‘CGST Act, 2017’ and the ‘GGST Act,  
2017’) are in pari materia and have the same provisions in like matter and differ  
from each other only on a few specific provisions. Therefore, unless a mention is  
particularly made to such dissimilar provisions, a reference to the CGST Act, 2017  
would also mean reference to the corresponding similar provisions in the GGST  
  
Act, 2017.  
  
2: The present appeal has been filed under Section 100 of the CGST Act, 2017  
and the GGST Act, 2017 by M/s. IDMC Limited (hereinafter referred to as  
Appellant) against the Advance Ruling No. GUJ/GAAR/R/2022/14 dated  
14.03.2022.  
  
3 The appellant has sought Advance Ruling on the following questions  
  
“I. Whether contract involving supply of equipment/machinery & erection,  
installation & commissioning services without civil work thereof would be  
contemplated as composite supply of cattle feed plant under GST regime? If the  
supplies would qualify as composite supply, what would be the classification of this  
bundle and applicable tax rate thereon in accordance with Notification No. 01/26  
—CT/(Rate) dated June 28, 2017 (as amended).  
  
Page 1 of 14  
  
2. Whether contract involving supply of equipment/machinery & erection, installation  
& commissioning services with civil work thereof would be contemplated as works  
contract service or not. If the supplies would qualify as composite supply of works  
contract, what would be the classification and applicable tax rate thereon in  
accordance with Notification No. 11/2017 — CT(Rate) dated June, 28, 2017 (as  
amended).?”  
  
4. Briefly, the facts are enumerated below for ease of reference:  
  
5. The appellant has contended that they supply cattle feed plant which  
includes equipment and machinery as well as erection and installation services  
thereof with or without civil work; that the intention of the agreement is supply and  
installation of cattle feed plant and this arrangement does not include any civil  
work/services; that as per their understanding, their case qualifies to be composite  
supplies; that their supply would not qualify as ‘works contract service’; that as per  
definition of works contract, erection, fitting out ete should be carried out for an  
immovable property. Appellant further stated that in their own case having similar  
facts, GAAR vide reference order GUJ/GAAR/REFERENCE/2017-18/1 held that  
supply without civil work would not be contemplated as works contract. Appellant  
further relied on the case of MOH Uduman and Ors [1991 AIR 1020], T.I. Miller  
Ltd [1987 (31) ELT 344], Advance Ruling in case of Shilchar Technologies Ltd  
|GUJ/GAAR/R/07/2021]. Appellant also submitted that plant is not rooted to  
earth but fixed with the help of nut & bolt for efficient operation. Appellant relied  
upon ruling of GAAR in case of Air Control and Chemical Engineering Company  
Ltd [2021-TIOL-85-AAR-GST], NEC Technologies India Pvt Ltd  
[GUJ/GAAR/R/2020/07] and ruling of Karnataka AAR in case of M/s United  
Engineering Works [ 2019-TIOL-250-AAR-GST]. Appellant further submitted  
that as per the definition of ‘composite supply’, their supply of cattle feed plant  
along with services would qualify as composite supply and would be classifiable  
under the heading 8436 attracting GST @12%. In case of supply of cattle feed  
plant with civil work, the appellant submitted that above supply would result into  
  
immovable property and hence would be classifiable as works contract.  
  
6. The Gujarat Authority for Advance Ruling (for short ‘GAAR’), vide  
Advance Ruling No. GUJ/GAAR/R/2022/14 dated 14.03.2022, ruled as follows:-  
  
“Supply of a functional Cattle Feed Plant, inclusive of its Erection, Installation and  
Commissioning and related works involved for both the question 1 & 2, is Works  
Contract Service Supply, falling at SAC 998732 attracting GST leviability at 18%Z  
  
SS  
  
Page 2 of 14  
ie Aggrieved by the aforesaid advance ruling, the appellant has filed the  
  
present appeal.  
  
8. The appellant in their grounds of appeal has submitted that GAAR erred  
in holding that  
  
(a) there was no merit on the appellant’s reliance in their own case having similar  
facts, on reference order No. GUJ/GAAR/REFERENCE/2017-1 8/1 wherein  
GAAR had referred the issue to Appellate Authority for Advance Ruling as the  
  
members of GAAR could not finalize their ruling.  
  
(b) the appellant submitted that the GAAR erred in understanding the earlier  
ruling, wherein the two questions were, viz.  
  
“i) whether supply and installation of plant & machinery including erection  
& commission services for equipment on turnkey basis without civil services  
would be contemplated as works contract under GST regime? and  
  
ii) what would be the classification and rate of tax applicable to services  
provided along with supply of goods in above question when the same is not  
treated as ‘works contract’?”  
to which the GAAR concluded that transaction wherein no civil work is involved  
would not be treated as works contract. GAAR referred the second question to  
Appellate authority for advance ruling. Therefore, as far as fist question is  
  
concerned, there is no dispute.  
  
(c) thus, the order of GAAR was issued in violation of norms of judicial discipline  
as Apex Court in case of Gammon India Ltd [2011 (269) ELT 289 (SC)] has  
observed that two Tribunals should not take divergent views which will create  
  
judicial uncertainty in declaring the law involved on identical issues.  
  
(d) that GAAR only considered the theory of ‘test of permanency’ for determining  
the issue and erred in holding that cattle feed plant is an immovable property as  
once the plant is installed and commissioned, it cannot be shifted to another place  
  
without dismantling the parts and accessories.  
  
(e) Appellant relied upon the case of  
  
Page 3 of 14  
(i)Solid & Correct Engineering Works and Ors [2010 (252) ELT 481 (SC)]  
wherein it was held that machine, fixed by nuts and bolts to a foundation to  
provide wobble free operation to the machine, is not immovable property  
and  
  
(ii) Sirpur Paper Mills Ltd [2002-TIOL-200-SC-CX] wherein it was held  
that paper making machine cannot be construed as immovable property  
since the whole purpose behind attaching the machine to a concrete base was  
to prevent wobbling of the machine and to secure maximum operational  
  
efficiency and also for safety.  
  
9. The appellant further submitted that GAAR departed from their own  
view on various advance rulings wherein installation and erection without civil  
work has been held as supply of movable property.  
(i) In case of Air Control and Chemical Engineering Company Ltd [2021-  
TIOL-85-AAR-GST] GAAR\_ observed that supply, testing and  
commissioning of 160 TR chilled water plant to naval dockyard is composite  
supply with the principal supply being of goods viz. ‘160 TR Chilled Water  
Plant’/ ‘Chiller’.  
(ii) Further, in case of NEC Technologies India Pvt Ltd, GAAR vide  
Advance Ruling No. GUJ/GAAR/R/2020/07 dated 19.05.2020 held that  
design, development and supply of Automatic Fare Collection (AFC)  
System does not qualify as works contract as installed AFC System cannot  
  
be said to result in emergence of immovable property.  
  
10. Appellant also relied upon the ruling of Karantaka Appellate Authority  
for Advance Ruling KAR/AAAR-17/2019-20 dated 06.03.2020 wherein it was  
held that there is no permanency in affixing the detachable sliding and stackable  
glass and the same does not amount to construction of immovable property. The  
appellant submitted that ‘test of permanency’ cannot be the sole reason for  
concluding the permanency of the item embedded to the earth. That the tests of  
extent and object of annexation should be taken into due consideration before  
classifying a property as immovable. In view of above judicial precedents,  
appellant submitted that the cattle feed plant supplied along with erection and  
  
commissioning services without civil work should not be classified as ‘works  
  
Page 4 of 14  
  
contract services’ since the same does not amount to construction of immovable  
  
property.  
  
11. The appellant submitted that their supply would qualify as composite  
supply of cattle feed plant as it involves various machineries, equipment and  
services which are naturally bundled and are part of overall system. The appellant  
further submitted that as per note 4 of Section XVI of Tariff, where a machine  
including combination of machine intended to contribute together a defined  
functioned covered by one of the headings in Chapter 84, whole falls to be  
classified in the heading appropriate to that function and therefore, cattle feed plant  
  
merits classification under Chapter Heading 8436.  
  
12, During the course of personal hearing held on 06.01.2023 and 26.7.2023,  
the representative of the appellant reiterated the submissions made in the appeal  
  
dated 13.04.2022.  
  
FINDINGS :-  
  
13. We have carefully gone through and considered the appeal papers,  
written submissions filed by the appellant, submissions made at the time of  
personal hearing, and Advance Ruling given by the GAAR and other materials  
  
available on record.  
  
14. The main issue to be decided here is as to whether the contract involving  
supply of cattle feed plant which involves supply of equipment/ machinery along  
with erection, installation & commissioning services without civil work thereof  
  
would be treated as works contract services or not and rate of GST thereon.  
  
15: As per Clause 6 of Schedule II of CGST Act 2017, Works Contract is a  
composite supply and same shall be treated as supply of services. The issue under  
consideration is as to whether the composite supplies by the appellant are works  
  
contract service under GST or otherwise.  
  
16. The term ‘works contracts’ has been defined under Section 2(119) of  
  
CGST Act, 2017 as below:  
  
Page 5 of 14  
  
“works contract” means a contract for building, construction, fabrication, completion,  
erection, installation, fitting out, improvement, modification, repair, maintenance,  
renovation, alteration or commissioning of any immovable property wherein transfer of  
property in goods (whether as goods or in some other form) is involved in the execution  
of such contract.”  
  
From the above, it is evident that for any supply to be classified under works  
  
contract services the same should be with respect to an immovable property.  
  
17. The term ‘immovable property’ is not defined under GST law. But the  
Section 3(26) of the General Clauses Act says ‘immovable property’ shall include  
land, benefits to arise out of land, and things attached to the earth, or permanently  
fastened to anything attached to the earth. As per Transfer of Property Act,  
‘attached to the earth’ means:  
  
(a) rooted in the earth, as in the case of trees and shrubs;  
  
(b) imbedded in the earth, as in the case of walls or buildings; or  
  
(c) attached to what is so imbedded for the permanent beneficial enjoyment  
of that to which is attached.  
  
18. The issue that now requires examination is, whether the composite  
supply towards setting up of cattle feed plant, by the appellant without civil work  
can be treated as ‘immovable property’ and would fall within the ambit of ‘works  
  
contract’ as defined supra.  
  
19. The appellant submitted the following photographs of the cattle feed  
  
plant supplied by them:  
  
- \_—  
Grain silos Ld Boiler house & Molasses tanks  
  
my  
=  
  
|  
  
Page 6 of 14  
  
PC Blower and cyclone ci |  
top - 31 m. level) : 4 5 Motor control centre - 16 m. level  
  
20. The appellant has submitted that they have following responsibilities  
with respect to plant execution:  
  
(i) Supply of cattle feed equipment such as pellet mill, hammer mill etc.  
(ii) Supply of other ancillary equipment/ goods such as MS Structural, M8  
  
Page 7 of 14  
Chequered plates, Conveyors for transporting raw material in the plant,  
Electrical switch boards and cables etc.  
  
(iii) Services relating to commission, installation and erection of equipment  
  
(iii) Undertaking trial runs on the machinery installed and testing of output received  
  
21. From the above photographs and details of supplies made we find that  
the various equipments assembled by the appellant at their customer’s premises are  
either fitted with foundation/structures or fitted on foundation/structures. The cattle  
feed plant which is set up by the appellant at their customer’s premises cannot be  
shifted from one place to another without dismantling of all the equipments,  
machine parts and accessories and electrical systems. We find that the cattle feed  
plant supplied involves supply of goods as well as services like installation,  
erection and commissioning of the plant. Thus, we hold that it fulfills the criteria  
of an ‘immovable property’ as cattle feed plant is type of plant and machinery  
which is attached to earth or permanently fastened to anything attached to the  
  
earth.  
  
22: We find that in the case of Duncans Industries Ltd., [CA No.  
12580/1997] the Hon’ble Supreme Court of India, apart from dealing with other  
issues was also examining whether fertilizer plant can be construed as immovable  
property or not. The Hon’ble SC vide its judgment dated 03.12.1999 held as  
  
under:  
  
“Considering the question whether the plant & machinery in the instant case can be  
construed as immovable property or not, the High Court came to the conclusion that  
the machineries which formed the fertilizer plant, were permanently embedded in the  
earth with an intention of running the fertilizer factory and while embedding these  
machineries the intention of the party was not to remove the same for the purpose of  
any sale of the same either as a part of a machinery or scrap and in the very nature of  
the user of these machineries, it was necessary that these machineries be permanently  
fixed to the ground. Therefore, it came to the conclusion that these machineries were  
immovable property which were permanently attached to the land in question. While  
coming to this conclusion the learned Judge relied upon the observations found in the  
case of Reynolds v. Ashby & Son (1904 AC 466) and Official Liquidator v. Sri Krishna  
Deo & Ors. (AIR 1959 All. 247). We are inclined to agree with the above finding of the  
High Court that the plant and machinery in the instant case are immovable properties.  
The question whether a machinery which is embedded in the earth is movable property or  
an immovable property, depends upon the facts and circumstances of each case.  
Primarily, the court will have to take into consideration the intention of the parties when  
it decided to embed the machinery whether such embedment was intended to be  
temporary or permanent. A careful perusal of the agreement of sale and the conveyance  
deed along with the attendant circumstances and taking into consideration the nature of  
machineries involved clearly shows that the machineries which have been embedded in  
the earth to constitute a fertiliser plant in the instant case, are definitely embedded  
permanently with a view to utilise the same as a fertiliser plant. The description of the  
machines as seen in the Schedule attached to the deed of conveyance also show,  
  
Page 8 of 14  
  
any doubt that they were set up permanently in the land in question with a view to  
operate a fertilizer plant and the same was not embedded to dismantle and remove the  
same for the purpose of sale as machinery at any point of time. The facts as could be  
found also show that the purpose for which these machines were embedded was to use  
the plant as a factory for the manufacture of fertiliser at various stages of its production.  
Hence, the contention that these machines should be treated as movables cannot be  
accepted. Nor can it be said that the plant and machinery could have been transferred by  
delivery of possession on any date prior to the date of conveyance of the title to the land.  
Mr. Verma, in support of his contention that the machineries in question are not  
immovable properties, relied on a judgment of this Court in Sirpur Paper Mills Ltd. v.  
Collector of Central Excise, Hyderabad (1998 1 SCC 400). In the said case, this Court  
while considering the leviability of excise duty on paper-making machines, based on the  
facts of that case, came to the conclusion that the machineries involved in that case did  
not constitute immovable property. As stated above, whether a machinery embedded in  
the earth can be treated as movable or immovable property depends upon the facts and  
circumstances of each case. The Court considering the said question will have to take  
into consideration the intention of the parties which embedded the machinery and also  
the intention of the parties who intend alienating those machinery. In the case cited by  
Mr. Verma, this Court in para 4 of the judgment had observed thus : In view of this  
finding of fact, it is not possible to hold that the machinery assembled and erected by the  
appellant at its factory site was immovable property as something attached to earth like a  
building or a tree. The Tribunal has pointed out that it was for the operational efficiency  
of the machine that it was attached to earth. If the appellant wanted to sell the paper-  
making machine it could always remove it from its base and sell it." From the above  
observations, it is clear that this Court has decided the issue in that case based on the  
facts and circumstances pertaining to that case hence the same will not help the appellant  
in supporting its contention in this case where after perusing the documents and other  
attending circumstances available in this case, we have come to the conclusion that the  
plant and machinery in this case cannot but be described as an immovable property.  
Hence, we agree with the High Court on this point.” [emphasis supplied]  
  
In the present case too we find from the photographs of cattle feed plant  
submitted by the appellant and also the work order dated 16.01.19 of Deshratna Dr.  
Rajendra Prasad Dugdh Utpadak Sahakari Sangh Ltd., that the equipments and  
machineries which formed the Cattle Feed Plant were permanently embedded in  
the earth with an intention of running the Cattle Feed factory. These machineries  
  
are permanently fixed to the ground. Therefore the same are immovable properties  
  
which are permanently attached to the land in question.  
  
23; Further in the case of Municipal Corporation of Greater Bombay &  
Ors. Vs. Indian Oil Corporation Ltd. [AIR 1991 SC 686] the Apex Court while  
considering as to whether a petrol tank resting on earth on its own weight without  
being fixed with nuts and bolts can be treated as permanently attached to the earth,  
  
held as under at para 32 and 33 of the said order:  
  
“32. The tanks, though, are resting on earth on their own weight without being fixed  
with nuts and bolts, they have permanently been erected without being shifted fr.  
place to place. Permanency is the test. The chattel whether is movable to anoth  
of use in the same position or liable to be dismantled and re-erected at the lat  
  
Page 9 of 14  
10  
  
If the answer is yes to the former it must be a moveable property and thereby it must be  
held that it is not attached to the earth. If the answer is yes to the latter it is attached to  
the earth. For instance a shop for sale of merchandise or eatables is a structure. The  
same could be sold by keeping in a push cart which has its mobility from place to place.  
Merely it is stationed at a particular place and business was carried on, it cannot be said  
that push cart is a shop. The fact that no nuts and bolts were used to imbed the tank to the  
earth by itself is not conclusive. Though the witness stated that the tank is capable of  
being shifted, as a fact the tanks were never shified from the places of erection. By  
scientific process, the tanks stand on their own weight on the earth at the place of  
erection as a permanent structure.  
  
33. The petroleum products are being stored through pipes and are taken out by  
mechanical process. The operational mechanisation also though relevant, is not  
conclusive. The rateable is based on the rent, which the building or land is capable to  
Jetch. Due to erection of the tanks whether the value of the demised property had  
appreciated or not, is also yet another consideration. Undoubtedly, when the tanks are  
erected and used for commercial purposes, the value of the demised property would get  
appreciated. The annual letting value is capable of increase. However, the rate of  
increase is a question of fact but the fact remains that the value of the land gets increased  
by virtue of erection of the storage tanks. Considering from this perspective we have no  
hesitation to hold that the petroleum storage tanks are structures or things attached to  
the land within the definition of Sections 3(s) and 3(r) of the Act. Thereby they are  
exigible to property tax. In this view the appeal is allowed and the judgment of the High  
Court is reversed and that of the Court of Small Causes is affirmed. But in the  
circumstances each party is directed to pay and receive their respective costs  
throughout.’ [emphasis supplied]  
  
Relying on the ratio laid down in the above case we find the Cattle Feed  
Plant supplied by the appellant cannot be moved in the same position to any other  
  
place without being dismantled and re-erected. Therefore the plant and machineries  
  
for Cattle Feed Plant supplied by the appellant is immovable and attached to earth.  
  
24. The appellant we find has relied upon the case of Solid & Correct  
Engineering Works and Ors [2010 (252) ELT 481 (SC)] wherein it was held that  
machine, fixed by nuts and bolts to a foundation to provide wobble free operation  
to the machine, is not immovable property. On going through the above referred  
judgment, it is observed that goods involved in that case were Asphalt Drum/Hot  
Mix Plant which is different from the goods in the present case. In the same  
  
judgment, following observations were also made by the Hon’ble Apex court.  
  
28. In Triveni Engineering’s case (supra), the question that fell for consideration was  
whether a turbo alternator comprising two components (i) steam turbine and (ii)  
complete alternator and fixing the same on a platform brought about a new dutiable  
product. The Court held that the process of fixing the same on a platform and aligning  
them in a specified manner that turbine was nothing but a manufacturing process and a  
new commodity come into existence in the said process. The machine so manufactured  
was, however, erected on a platform specially constructed for that purpose which made  
the machine immovable in character. The Court declared that while determining whether  
an article is permanently fastened to anything attached to the earth both the intention as  
well as the factum of fastening has to be ascertained from the facts and cj wes:  
each case. The following passage is apposite in this regard : pw or  
  
Page 10 of 14  
11  
  
“There can be no doubt that if an article is an immovable property, it cannot be  
termed as “excisable goods” for purposes of the Act. From a combined reading of  
the definition of “immovable property” in Section 3 of the Transfer of Property  
Act, Section 3(25) of the General Clauses Act, it is evident that in an immovable  
property there is neither mobility nor marketability as understood in the excise  
law. Whether an article is permanently fastened to anything attached to the earth  
requires determination of both the intention as well as the factum of fastening to  
anything attached to the earth. And this has to be ascertained from the facts and  
circumstances of each case.”  
  
(emphasis supplied)  
  
30. Reliance was placed by Mr. Bagaria upon the decision of this Court in Quality Steel  
Tubes (P) Ltd. v. CCE, U.P. - 1995 (75) E.L.T. 17 (S.C.) and Mittal Engineering Works  
(P) Lid. v. CCE, Meerut - 1996 (88) E.L.T. 622 (S.C.). In Quality Steel Tubes case  
(supra) this Court was examining whether ‘the tube mill and welding head’ erected and  
installed by the assessee for manufacture of tubes and pipes out of duty paid raw material  
was assessable to duty under residuary Tariff Item No. 68 of the Schedule being excisable  
goods. Answering the question in negative this Court held that tube mill and welding  
head erected and installed in the premises and embedded to earth ceased to be goods  
within the meaning of Section 3 of the Act as the same no longer remained moveable  
goods that could be brought to market for being bought and sold. We do not see any  
comparison between the erection and installation of a tube mill which involved a  
comprehensive process of installing slitting line, tube rolling plant, welding plant, testing  
equipment and galvanizing etc., referred to in the decision of this Court with the setting  
up of a hot mix plant as in this case. As observed by this Court in Triveni Engineering &  
Industries case (supra), the facts and circumstances of each case shall have to be  
examined for determining not only the factum of fastening/attachment to the earth but  
also the intention behind the same.  
  
32. So also in T.T.G. Industries Lid. v. CCE, Raipur - 2004 (167) E.L.T. 501 (S.C.), the  
machinery was erected at the site by the assessee on a specially made concrete platform  
at a level of 25 ft. height. Considering the weight and volume of the machine and the  
processes involved in its erection and installation, this Court held that the same was  
immovable property which could not be shifted without dismantling the same.  
  
In view of above, it can be inferred that the Apex Court held that intent of  
fastening/attachment to the earth needs to be considered; that the specific machine  
in question can be moved and has indeed been moved after the road construction  
and repair project, for which it was installed, is completed. However, if a machine  
is intended to be fixed permanently to a structure embedded to the earth, the  
movable character of the machine, according to the Supreme Court becomes  
  
extinct.  
  
25. The appellant also relied upon the case of Sirpur Paper Mills Ltd, ibid,  
wherein it was held that paper making machine cannot be construed as immovable  
property since the purpose of attaching the machine to a concrete base was to  
  
prevent wobbling and to secure maximum operational efficiency. On  
  
Page 11 of 14  
12  
  
machine is much different from subject goods i.e. cattle feed plant. Further,  
Supreme Court, in above case, reasoned if someone fix a water pump on a cement  
base for operational efficiency and also for security it will not make the water  
pump an immovable property. The above reasoning cannot be applied in case of  
cattle feed plant as both goods have major different aspects in design, installation,  
size, specification and operation. Also above case was rendered under the  
provisions of Central Excise Act, 1944 and rules and provisions made there under  
are not para materia with the GST Act. Therefore, the case of Sirpur Paper Mills  
also doesn’t help the present case of appellant. Further this case was distinguished  
by Hon’ble Supreme Court of India in the case of Duncans Industries Ltd., Vs.  
  
State of U.P. & Ors discussed at para 22 supra.  
  
26. On going through the submission made by appellant before this appellate  
  
authority and before GAAR, following facts were observed:  
  
i. All the machines, apparatus, equipment are vital and requisite for the Cattle Feed  
Plants Operation and the Plant cannot function in their absence.  
  
ii. The Plant includes equipment receiving raw materials till packaging of  
finished goods.  
  
iii. The supply includes Installation and Erection at Customers premises. This  
involves equipment drawings and their layout for main feed plant, storage silo plant  
and steam generation plant.  
  
iv. The supply involves cable trench layout; electrical drawings, ETP drawings  
including civil construction work, including drawings of civil structure.  
  
y. The mechanical installation comprises supply and installation of structural  
platforms and tables. '  
  
vi. The supply comprises final adjustment of the foundations including alignment and  
dressing of foundation surface, embedding and grouting of anchor bolts and  
bedplates.  
  
vii. Appellant shall only after the alignment has been checked by it and witnessed by  
the Purchaser, then afterwards only, permanently bolt down the equipment to  
foundations/ structure.  
  
viii. Appellant shall supply, fix and maintain, at its own cost, during the erection  
work, all the necessary centering, scaffolding, staging required not only for proper  
execution and protection of the said work but also for protection of the surrounding  
plant and equipment.  
  
ix. Appellant shall supply box type platforms, pipe support bridges/gantry.  
  
x. Appellant shall install all pipes, valves and specialities being procured  
from other sources.  
  
xi. The supply includes Testing and Commissioning of the Plant.  
  
xii. Supply comprises Installation and Commissioning of Electrical System.  
  
xiii. The supply includes trial runs of the Plant.  
  
Further, from the contract made by the appellant with Deshratna Dr.  
  
Rajendra Prasad Dugdh Utpadak Sahakari Sangh Ltd, the equipments supplied by  
  
Page 12 of 14  
  
13  
  
(i) Silo Section,  
  
(ii) | Raw material intake equipment,  
  
(iii) Batching, grinding and mixing equipment,  
(iv) Molasses storage & equipment,  
  
(v) Pelleting equipment,  
  
(vi) Bagging equipment,  
  
(vii) Aspiration equipment,  
  
(viii) Feed mill housing,  
  
(ix) Product piping/accessories,  
  
(x) Electrification and instrumentation,  
  
(xi) Compressor and compressed air piping,  
(xii) HP & LP Steam and  
  
(xiii) Others/spares/weigh bridge/fire extinguishers  
  
The agreement further includes supply of services towards installation and  
  
commissioning of the above equipments of Cattle Feed Plant.  
  
27. The orders of advance ruling authorities relied upon by appellant are  
completely distinguishable from the facts of the present case. In the present case  
the erection, commissioning and installation of cattle feed plant results in  
emergence of immovable property. Furthermore, as per Section 103 (1) of CGST  
Act, 2017, any advance ruling is binding only on the applicant who had sought it  
  
and the concerned officer or the jurisdictional officer in respect of applicant.  
  
28. The appellant’s reliance on an earlier order passed by GAAR in their  
own case vide reference order No. GUJ/GAAR/REFERENCE/2017-18/1 dated  
13.12.2017 is highly misplaced as GAAR in the referred order could not finalize  
the ruling and had referred the issue to appellate advance ruling. The appellate  
authority did not decide the issue for lack of adequate information in the order of  
GAAR. Further the facts in the said case were different to that of the present case.  
Further, in the case relied upon, the supply was with regard to setting up of Dairy  
Plant. In this regard, we refer to the Board Circular No. 177/09/2022-TRU dated  
03.08.2022, wherein at para 17.4, on the above issue, it was clarified by CBIC that  
supply, construction, installation and commissioning of a dairy plant on turn-key  
basis constitutes as works contract and dairy plant which comes into existence is an  
  
immovable property. The relevant portion of above circular is reproduced below:  
  
“17.4 It is clarified that a contract of the nature described here for  
construction, installation and commissioning of a dairy plant constit =  
° ° ° Ze RIT Ss  
  
supply of works contract. There is no doubt that dairy plant which ‘pt  
into existence as a result of such contracts is an immovable proper tye/ 38 yes  
  
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Page 13 of 14  
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From the above, it is unequivocal that even if appellant’s reliance of the  
above reference order/ruling be considered, Board Circular dated 03.08.2022 has  
rendered the same as void holding that subject plant is an immovable property and  
  
therefore the same cannot be relied upon.  
  
29. From the above discussions, we find that Cattle Feed Plant is an  
immovable property and supply of goods and services by the appellant for setting  
up and running of Cattle Feed Plant amounts to composite supply of works  
  
contract as defined in clause (119) of Section 2 of CGST Act, 2017.  
  
30. In view of the foregoing, we reject the appeal filed by appellant M/s. IDMC  
Ltd and uphold the Advance Ruling No. GUJ/GAAR/R/2022/14 dated 14.03.2022  
  
of the Gujarat Authority for Advance Ruling.  
  
ae Ww  
(B V Siva Naga Kumari)  
Member (CGST)  
  
(Samir Vakil )  
Member (SGST)  
  
Place: Ahmedabad  
  
Date: Op AW, QO2R  
  
Page 14 of 14