

**GIB/KA/SPSS SOUTH ASIA/24.03.2021/AAR-440**

**Advance Ruling Category :** Classification of Supply

**State :** Karnataka

**Order No.:** GIB/KA/SPSS SOUTH ASIA/24.03.2021/AAR-440

**Name of Entry :**

M/S. SPSS SOUTH ASIA PVT. LTD.

**Date :** 24-03-2021

**Breif Issue :**

**FACTS AND ISSUE OF THE CASE:**

The Applicant is a Private Limited Company, registered under the Goods and Services Act, 2017 and is an authorized reseller for various IBM SPSS Software in India. The applicant, filed the instant application, in relation to classification & applicability of notification, on the issues covered under Section 97(2)(a) & 97(2)(b) of the CGST Act 2017

The software supplied by the applicant is a pre-developed or pre-designed software and made available through the use of encryption keys and hence it satisfies all the conditions that are required to be satisfied to cover them under the definition of 'goods'.

Further the goods which are supplied by the applicant can't be used without the aid of the computer and has to be loaded on a computer and then after activation would become usable and hence the goods supplies is "Computer Software" and more specifically covered under "Application Software". Further the Explanatory Notes to the Scheme of Classification of Services stipulates that the services of limited end-user license as part of packaged software are excluded from the SAC 997331, that covers Licensing services for the right to use computer software and databases. Hence the supply made by the applicant is covered under "Supply of goods" and the said supply is covered under tariff heading 8523.

**Decision of Advance Ruling Authority :**

**DECISION:**

The Notification No.45/2017- Central Tax (Rate) dated 14.11.2017 and Notification No. 47/2017-Integrated Tax (Rate) dated 14.11.2017 stipulates the rate of CGST / IGST @ 5%, if the goods of computer software is supplied to public funded research institutions subject to fulfillment of the conditions prescribed under column 4 of the said notification. In the instant case the applicant is supplying computer software to National Institute of Science Education

and Research, Bhubaneswar, a public funded research institution, under the administrative control of Department of Atomic Energy (DAE), Government of India. Further the said institute has also furnished a certificate as required to fulfill the required condition.