

**BEFORE THE AUTHORITY FOR ADVANCE  
RULINGS FOR THE STATE OF UTTARAKHAND  
(Goods and Services Tax)**

समक्ष अग्रिम विनिर्णय प्राधिकारी उत्तराखण्ड (माल और सेवा कर)

Present:

Shri Vipin Chandra (Member)

श्री विपिन चन्द्र (सदस्य)

Shri Amit Gupta (Member)

श्री अमित गुप्ता (सदस्य)

The 28th day of August, 2018

Ruling No: 07/2018-19

अग्रिम विनिर्णय संख्या.

In

Application No: 05/2018-19

आवेदन संख्या. \_\_\_\_\_

1	Applicant आवेदक	M/s Eapro Global Limited, Khasra No. 103 & 104, Salempur Rajputana Industrial Area, Roorkee
2	Jurisdictional Officer अधिकारिता अधिकारी	Shri S S Yadav (AC); Khand-4, Roorkee
3	Present for the Applicant आवेदक की ओर से उपस्थित	Shri Mohit Chaudhary Accountant
4	Present for the Jurisdictional Officer अधिकारिता अधिकारी की ओर से उपस्थित	None कोई नहीं
5	Date of receipt of application आवेदन प्राप्त की तिथि	15.06.2018
6	Date of Personal Hearing सुनवाई की तिथि	28.08.2016

**Note :** Under Section. 100(1) of the Uttarakhand Goods and Services Tax Act, 2017, an appeal against this ruling lies before the appellate authority for advance ruling constituted under section- 99 of the Uttarakhand Goods and Services Tax Act, 2017, within a period of 30 days from the date of service of this order.

**नोट :** इस अग्रिम विनिर्णय की प्राप्ति के 30 दिन के अन्दर उत्तराखण्ड माल और सेवा कर अधिनियम 2017 की धारा- 99 के अन्तर्गत गठित अग्रिम विनिर्णय अपील प्राधिकारी के समक्ष धारा-100(1) के अन्तर्गत अपील दायर की जा सकती है।

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**AUTHORITY FOR ADVANCE RULING  
GOODS & SERVICE TAX  
UTTARAKHAND**

**RULING**

1. This is an application under Sub-Section (1) of Section 97 of the CGST/SGST Act, 2017 (herein after referred to as Act) and the rules made thereunder filed by M/s Eapro Global Ltd, Khasra No. 103 & 104, Salempur Rajputana Industrial Area, Roorkee seeking an advance ruling on following issues:
  - (a) applicability of GST rate on supply of solar inverter (8504), controller (8504), battery (8507) and panels (8541) under "Solar Power Generating System" (8543) as a whole & whether the such supply be called as 'composite supply or mix supply'.
  - (b) supply of solar inverter & solar panels together will fall under the definition of "Solar Power Generating System" or it will be a 'mix supply' and the applicability of GST rate on supply of solar inverter & solar panels together.
  - (c) Whether manufacturer or trader will have any significance on the clarification
2. Advance Ruling under GST means a decision provided by the authority or the appellate authority to an applicant on matters or on questions specified in sub section (2) of section 97 or sub section (1) of section 100 in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.
3. As per the said subsection (2) of Section 97 of the CGST/SGST Act, 2017 advance ruling can be sought by an applicant 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 the 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

4. In the present case applicant has sought advance ruling on applicability of GST rate on supply of goods and their classification thereof. Thus, in terms of said Section 97(2)(a) & (e) of CGST/SGST Act, 2017, the present application is hereby admitted.
5. The Joint Commissioner, SGST, Roorkee vide his letter dated 30.07.2018 submitted the report in this regard as under:
  - (i) If said items are supply in the assemble form, it will covered under "Solar Power Generating System" and will not be treated as composite supply. Accordingly rate prescribed in GST for "Solar Power Generating System" is applicable. However, if the said items are supplied individually and their value is also shown in the invoice individually, then the said supply will be treated as mix supply.
  - (ii) As the combination of solar inverter & panels do not make "Solar Power Generating System", thus the said supply will be treated as mix supply and rate of GST will be 18%.
  - (iii) The rate of GST does not alter whether the supply has been made by the manufacturer or trader.
6. Accordingly opportunity of personal hearing was granted to the applicant on 28.08.2018. Shri Mohit Chaudhary Accountant of the applicant appeared for personal hearing on 28-08-2018.
7. From the documents submitted by the applicant we find that applicant is registered in Uttarakhand with GSTIN bearing no. 05AADCE1852G1ZZ. Before proceeding, we have to first know about the "Solar Power Generating System". We find that there are four main components to a solar power generating system as under:
  - (i) **Solar panels:** The main part of a solar power generating system is the solar panel. Solar panels contain solar cells. Solar cells, sometimes called photovoltaic cells, convert the energy of the sun into electricity.
  - (ii) **Inverters :** The electricity produced in a solar panel is DC. Electricity we get from the grid supply is AC. So it is required to install an inverter to convert DC of solar system to AC of same level as grid supply. In off grid system the inverter is directly connected across the battery terminals so that DC coming from the batteries is first converted to AC then fed to the equipment. In grid tie system the solar panel is directly connected to inverter and this

inverter then feeds the grid with same voltage and frequency power.

(iii) **Contoller:** This is not desirable to overcharge and under discharge a lead acid battery. Both overcharging and under discharging can badly damage the battery system. To avoid these both situations a controller is required to attach with the system to maintain flow of current to and fro the batteries.

(iv) **Battery:** The battery is charged by solar electricity and this battery then feeds a load directly or through an inverter. In this way variation of power quality due to variation of sunlight intensity can be avoided in solar power system instead an uninterrupted uniform power supply is maintained.

8. In the instant case we are not deciding any wider question but restricting our conclusion to the facts and circumstances which was filed for our consideration in the application. Now we proceed by taking the issue one by one:

(A) Whether the supply of solar inverter, controller, battery and panels are covered under "Solar Power Generating System" as a whole and can be called as 'composite supply or mix supply' & what will be the rate of GST on such supply. To appreciate the law position in this regard we reproduce the relevant portion of the Act as under:

(i) *Section 2(30) of the Act ibid "composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;*

(ii) *Section 2(74) of the Act ibid "mixed supply" means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.*

(iii) *Section 2(90) of the Act ibid "principal supply" means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary;*

(iv) Section 8 of the Act *ibid*: The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:—

(a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and

(b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

(v) Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017

**Schedule I - 2.5%**

S.No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods
(1)	(2)	(3)
234	84 or 85	Following renewable energy devices & parts for their manufacture (a) Bio-gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, Wind Operated Electricity Generator (WOEG) (e) Waste to energy plants/devices (f) Solar lantern/solar lamp (g) Ocean waves/tidal waves energy devices/plants

(vi) We find that “Solar Power Generating System” has not been defined in GST law. We also find that in erstwhile Central Excise regime, though exemption to said “Solar Power Generating System” was granted vide serial no. 332 of Notification No. 12/12-CE dated 17.03.2012 but the same has also not been defined in the said regime. The relevant portion Notification No. 12/12-CE dated 17.03.2012 is reproduce as under:

Sl. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate
1	2	3	4
332	Any Chapter	Non-conventional energy devices or systems specified in List 8	Nil

**List-8:** 1) Flat plate solar Collector (2) Black continuously plated solar selective coating sheets (in cut length or in coil) and fins and tubes (3) Concentrating and pipe type solar collector (4) Solar cooker (6) Solar air heating system (7) Solar low pressure steam system (8) Solar stills and desalination system (9) Solar pump based on solar thermal and solar

photovoltaic conversion (10) **Solar power generating system** (11) Solar photovoltaic module and panel for water pumping and other applications (12) Solar crop drier and system (13) Wind operated electricity generator, its components and parts thereof including rotor and wind turbine controller (14) Water pumping wind mill, wind aero-generator and battery charger (15) Bio-gas plant and bio-gas engine (16) Agricultural, forestry, agro-industrial, industrial, municipal and urban waste conversion device producing energy (17) Equipment for utilising ocean waves energy [Solar lantern or Solar lamp] (19) Ocean thermal energy conversion system (20) Solar photovoltaic cell (21) Parts consumed within the factory of production of such parts for the manufacture of goods specified at S. Nos. 1 to 20. (22) Improved cookstoves (including smokeless chulhas) for burning wood, agro-waste, cow dung, briquettes and coal.

Therefore before coming to any conclusion we have seek help from various judicial pronouncement in this regard and a few of them related to the case in hand are reproduce as under:

**\* Rajasthan Electronics & Instruments Ltd. Vs CCE [2005 (180) ELT 0481 (Tri. - Del.)]**

3. *The contention of the appellant is that the Dusk Dawn System is an electronic system for street lights comprising of electronic controller and Solar Photovoltaic Module. The street lights are automatically switched off based on the ambient light level which is sensed by the sensors installed therein. The Dusk Dawn System comprises of the SPV module and the penal housing. The contention is that whole system works on the solar energy and it is an energy saving device used for automatic switching off the street lights making proper use of grid power and increasing the life of the lamps by operating the street light from sunset to sunrise. The contention of the appellant is that the Commissioner of Central Excise in the adjudication order admitted the fact that Solar Photovoltaic module is a solar power generating system. In spite of this finding the benefit of notification was denied. The contention is that as the whole system is working on the solar power, therefore, they are entitled the benefit of the notification.*

5. *For ready reference the relevant portion of the Notification No. 6/02 dated 1-3-02 is reproduced below:*

*"237. Non-conventional energy devices/systems specified in List 9."  
The list 9 of the above notification covers Solar Power Generating system.*

6. *The simple reading of the notification provides exemption to the non-conventional energy devices/system specified in List 9.*

7. The adjudicating authority admitted the fact that Solar Photovoltaic Module is a Solar Power Generating System. We find that other parts are only panel housing consisting of controllers and switches. Hence the whole system is a Solar Power Generating System and is entitled for the benefit of notification. Therefore, the denial of benefit of notification by the adjudicating authority is not sustainable. The impugned order is set aside and the appeals are allowed.

**\* Bhel Vs CCE [2008 (223) ELT 0609 (Tri. - Bang.)]**

1. The point at issue is whether the 'Solar Inverter Charger for solar lantern' is entitled for the benefit of exemption Notification 5/99-C.E., dated 28-2-99. The contention of the revenue is inverter charger should be classified under Heading No. 80.03 of the C.E. Tariff Act as a component of solar power generating system or solar lantern. The exemption Notification No 5/99 C.E., dated 28-2-99 as amended exempts "non-conventional energy systems" specified in list 4 of the Notification from payment of duty. Since the exemption notification exempts total system and not parts of the system, the lower authority held that the inverter charger for solar lantern is not entitled for the benefit of the said notification.

3. We heard both sides. Learned Advocates contended that solar power generating system is also technically known as inverter charger card. Technical experts who headed the Technical Department of the appellants who are a major Public Sector Undertaking have certified that inverter charger card is the power generating system envisaged under the exemption notification. The classification list which was approved by the Jurisdictional Assistant Commissioner on 23-3-1995 also acknowledges that the inverter charger card and solar power generating system are one and the same and the exemption is admissible to the said system. It is an assembly of 19 components. The impugned inverter charger card is one of the 4 constituents in the solar lantern. The constituents are :

- (i) SPV Module
- (ii) Inverter charger cards/ solar power generating systems
- (iii) Maintenance free lead acid battery
- (iv) Compact fluorescent lamp.

On a very careful consideration of the issue, we find that the exemption notification exempts from Central Excise duty the following items :

- (i) Solar voltaic module
- (ii) Solar power generating system

(iii) Solar lantern.

In the present case, the appellants have claimed exemption in respect of "inverter charger card" as solar power generating system. The appellants actually manufactured SPV lantern. The above lantern required electricity for its working. It is possible to convert solar energy to electricity with the help of inverter charger manufactured by the appellants. The Dy. General Manager has certified that the inverter charger constitutes solar power generating system as it performs the function of generating the required high frequency AC power from Sun-light with, the help of SPV module and supplying it to the compact fluorescent lamp of a solar lantern. In view of the above, expert opinion, we hold that the impugned item can be considered as solar power generating system and is entitled for the benefit of the exemption Notification. Therefore, we allow the appeal with consequential relief.

(vii) On going through the afore stated cases pronounced by the hon'ble Tribunal we find that the said judgments are on the lines of Notifications 06/2002-CE & 5/99-CE. Therefore, we have to go through the said notifications to find out whether the same are applicable to case in hand. The relevant portion of the same are reproduce as under:

Notifications 06/2002-CE dated 01.03.2002

Sl. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate
1	2	3	4
237	Any Chapter	Non-conventional energy devices or systems specified in List 9	Nil

**List-9:** (1) Flat plate solar collector (2) Black continuously plated solar selective coating sheets (in cut length or in coil) and fins and tubes (3) Concentrating and pipe type solar collector (4) Solar cooker (5) Solar water heater and system (6) Solar air heating system (7) Solar low pressure steam system (8) Solar stills and desalination system (9) Solar pump based on solar thermal and solar photovoltaic conversion **(10) Solar power generating system** (11) Solar photovoltaic module and panel for water pumping and other applications (12) Solar crop drier and system (13) Wind operated electricity generator, its components and parts thereof (14) Water pumping wind mill, wind aero-generator and battery charger (15) Bio-gas plant and bio-gas engine (16) Agricultural, forestry, agro-industrial, industrial, municipal and urban waste conversion device producing energy (17) Equipment for utilising ocean waves energy (18) Solar lantern (19) Ocean thermal energy conversion system (20) Solar photovoltaic cell (21) Parts consumed within the factory



of production of such parts for the manufacture of goods specified at S.Nos. 1 to 20 above.

**Notifications 5/99-CE dated 28.02.99**

Sl. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate
1	2	3	4
265	Any Chapter	Non-conventional energy devices or systems specified in List 4	Nil

**List-4:** (1) Flat plate solar collectors (2) Black continuously plated solar selective coating sheets (in cut lengths or in coils) and fins and tubes (3) Concentrating and pipe type solar collectors (4) Solar cookers (5) Solar water heaters and systems (6) Solar air heating systems (7) Solar low pressure steam systems (8) Solar stills and desalination systems (9) Solar pumps based on solar thermal and solar photovoltaic conversion **(10) Solar power generating systems** (11) Solar photovoltaic modules and panels for water pumping and other applications (12) Solar crop driers and systems (13) Wind mills, parts of wind mills and any specially designed devices which run on wind mills (14) Any special devices including electric generators and pumps running on wind energy (15) Bio-gas plants and bio-gas engines (16) Agricultural, forestry, agro-industrial, industrial, municipal and urban waste conversion devices producing energy (17) Equipment for utilizing ocean waves energy (18) Solar lantern (19) Ocean thermal energy conversion systems (20) Parts consumed within the factory of production of such parts for the manufacture of goods specified at S.Nos. 1 to 19 above (21) Solar photovoltaic cells.

(viii) On going through the Notifications 12/12-CE, 06/2002-CE & 5/99-CE (supra), we find that there is no change in the description of goods viz **“Non-conventional energy devices or systems specified in List”** in the said notifications and **Solar power generating systems** in the list appended to said notifications however their entry against serial no. & list nos. appended to said notifications keeps on changing during the relevant period except that there is no material change in the said notifications. Thus we observe that said notifications are similar in character & have the same soul to extend the benefit under Central Excise Law to “solar power generating system” and are identical to the Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 in as much as the same benefit continued in GST regime also by way of concessional rate. Therefore case laws discussed above have a great impact on the case in hand and we observe that the same are applicable to the instant case. Accordingly we are in respectful agreement with the hon’ble CESTAT judgments (supra) and observe that supply of solar

inverter, controller, battery and panels would be covered under "Solar Power Generating System" as a whole when the said goods are supply for the said specified purpose and accordingly as per serial no. 234 of Schedule-I of the Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, the applicable rate of GST on such supply will be 5% as on today[2.5% CGST + 2.5% SGST]. We further observe that in the present case, the supply of the said items are intended for "Solar Power Generating System", hence the entire supply would fall under composite supply in as much as "Solar Power Generating System", is predominant element in composite supply and it takes the character of the principal supply therefore all the goods should be taxable @ 5% as "Solar Power Generating System". This fact also confirm by the hon'ble tribunal (supra). Further in GST Tariff the same has been classified as under:

Chapter /Heading/ Sub-Heading/Tariff Item	Description of goods	Unit	GST Rates			
			Central CGST	State/ UT/ SGST/ UTGST	Inter-State IGST	Compensation Cess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
[84,85 or 94]	Following renewable energy devices & parts for their manufacture (a) Bio- gas plant (b) Solar power based devices (c) Solar power generating system (d) Wind mills, wind operated electricity generator (e) Waste to energy plants/devices (f) Solar lantern/solar lamp (g) Ocean waves/tidal waves energy devices /plants (h) photo voltaic cells, whether or not assembled in modules or made up into panels	u	2.5%	2.5%	5%	Nil

(ix) As regard to the HSN code of "Solar Power Generating System", we observed that "Solar Power Generating System" is a composite supply and the same has not been defined in GST law, therefore HSN code has to be followed in terms of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017.

(B) Supply of solar inverter & solar panels together will fall under the definition of "Solar Power Generating System" or it will be a 'mix supply'

and the applicability of GST rate on supply of solar inverter & solar panels together.

In the cases discussed supra it has been clarified by the hon'ble Tribunal that the items which are used in connection with generation of power from sunlight are covered under the definition of "Solar Power Generating System". Accordingly solar inverter & solar panels used for specified purpose i.e generation of power from sunlight, will be covered under serial no. 234 of Schedule-I of the Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, the applicable rate on such supply will attract GST @ 5% under "Solar Power Generating System" and accordingly as per serial no. 234 of Schedule-I of the Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, the applicable rate of GST on such supply will be 5% [2.5% CGST + 2.5% SGST]. In this context also, the supply will be treated as "composite supply" as discussed above.

9. In view of the above discussion we pass the order as under:

#### **ORDER**

- (i) Supply of solar inverter, controller, battery and panels would covered under "Solar Power Generating System" as a whole in terms of serial no. 234 of Schedule-I of the Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 when supplied for said purpose and the applicable rate of GST on such supply will be 5% as on today [2.5% CGST + 2.5% SGST] and such supply will be treated as "composite supply".
- (ii) Supply of solar inverter & solar panels together will fall under the definition of "Solar Power Generating System" (if the same are used for said specified purpose) in terms of serial no. 234 of Schedule-I of the Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 and the applicable rate of GST on such supply will be 5% as on today [2.5% CGST + 2.5% SGST] and such supply will be treated as "composite supply".
- (iii) The aforesaid findings are applicable for both manufacturers and traders engaged in said supply.

VIPIN CHANDRA (MEMBER)

AMIT GUPTA (MEMBER)

To,

M/s. Eapro Global Limited,  
Khasra No 103 & 104,  
Salempur Rajputana Industrial Area, Roorkee.

**AUTHORITY FOR ADVANCE RULING  
GOODS & SERVICE TAX, UTTRAKHAND  
OFFICE OF THE COMMISSIONER, SGST, UTTRAKHAND  
LADPUR RING ROAD, UPPER NATHANWALA, DEHRADUN**

F.NO. : State Tax Commr-UKD/GST/Section-97/2018-19/DDN

4245

Date: 28/08/18

Copy to :

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4. Assistant Commissioner, CGST, Division Dehradun
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Mohit Chaudhary  
28/8/18