

M/s Uttar Pradesh Power Transmission Corporation Ltd

Appellate Authority for Advance Ruling — Uttar Pradesh

Order No. 10/AAAR/2020 dated 23.01.2020

Q Questions Before the Authority

- Whether the Deposit Work undertaken by Appellant is an integral part of supply of services of transmission or distribution of electricity?
- Whether the Deposit Work undertaken by Appellant is ancillary to the principal supply of transmission or distribution of electricity?
- Whether the exemption given under Entry No. 25 of the exemption notification for services by way of transmission or distribution of electricity by an electricity transmission or distribution utility will be applicable on Appellant?
- Whether ITC is available to the appellant in undertaking Deposit Works i.e. creating infrastructure for electricity transmission?

F Facts

The appellant is a state transmission utility entrusted with the business of transmitting electricity. They undertake 'Deposit Works' for customers, which involve creating infrastructure for electricity transmission, and sought a ruling on whether these activities are integral or ancillary to their principal supply of electricity transmission. The appellant also questioned the applicability of GST exemptions and the availability of Input Tax Credit for these works.

H Ruling

The Appellate Authority for Advance Ruling was deadlocked due to a difference of opinion between the two members. Consequently, no ruling could be issued on the questions raised by the appellant. The original Advance Ruling Order No. 37 dated 05.08.2019 is deemed to be not in operation.

R Reasoning

The CGST member and the SGST member held divergent views regarding the nature of the 'Deposit Work'. The CGST member opined that these services are independent and not naturally bundled with the supply of electricity, whereas the SGST member concluded that they are part and parcel of the transmission and distribution of electricity. Due to this fundamental disagreement on the interpretation of Section 2(30) of the CGST Act 2017 and the nature of the supply, the authority could not reach a consensus. The matter was governed by the provisions of Sub Section 3 of Section 101 of the CGST Act, 2017.

P Provisions Relied On

Section 2(30) of the CGST Act 2017	Section 101(3) of the CGST Act 2017
Entry No. 25 of the exemption notification	Circular No. 34/8/2018-GST
Circular No. 131/13/2010-ST	Section 43 of the Electricity Act 2003
Section 45(3) of the Electricity Act 2003	



For the Practitioner

This order serves as a **non-precedential outcome** because the appellate authority failed to reach a consensus. It does not settle the taxability or ITC eligibility of 'Deposit Works' for power transmission utilities. Practitioners should note that the original ruling is **deemed to be not in operation**, leaving the legal position on this specific issue unresolved at the appellate level.

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 -> up_aaar_10_2019-20_23.01.2020_upptcl.pdf

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