M/s Eapro Global Limited

Authority for Advance Ruling — Uttarakhand

Ruling No: 07/2018-19 Dated **28.08.2018**

Q Questions Before the Authority

- 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'.
- 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.
- Whether manufacturer or trader will have any significance on the clarification

F Facts

The applicant, M/s Eapro Global Limited, is engaged in supplying solar energy equipment including solar panels, inverters, controllers, and batteries. They approached the Authority for Advance Ruling to determine whether supplying these components together constitutes a 'composite supply' of a 'Solar Power Generating System' eligible for a concessional GST rate of 5% or a 'mixed supply' attracting higher individual rates. They also sought clarity on whether the tax treatment differs between manufacturers and traders.

H Ruling

Supply of solar inverter, controller, battery and panels together	**Taxable @ 5% GST [2.5% CGST + 2.5% SGST] as a composite supply under S. No. 234 of Schedule-I of Notification No. 01/2017-Central Tax (Rate).**	When supplied for the specified purpose of solar power generation.
Supply of solar inverter & solar panels together	**Taxable @ 5% GST [2.5% CGST + 2.5% SGST] as a composite supply under S. No. 234 of Schedule-I of Notification No. 01/2017-Central Tax (Rate).**	If used for the specified purpose of solar power generation.
Significance of status as manufacturer or trader	**No significance; findings apply equally to both manufacturers and traders.**	

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The Authority held that supplying solar inverters, controllers, batteries, and panels together for solar power generation constitutes a **composite supply** of a 'Solar Power Generating System' taxable at **5% GST** under S. No. 234 of Schedule-I of Notification No. 01/2017-Central Tax (Rate). Similarly, supplying solar inverters and solar panels together for the specified purpose is also a composite supply taxable at 5% GST. The authority further clarified that these findings apply equally to both manufacturers and traders.

R Reasoning

The Authority examined Section 2(30), Section 2(74), Section 2(90), and Section 8 of the CGST Act, 2017, along with relevant pre-GST Central Excise notifications and judicial precedents such as Rajasthan Electronics & Instruments Ltd. and BHEL. It observed that although 'Solar Power Generating System' is not explicitly defined in GST law, the individual components (panels, inverters, controllers, batteries) naturally form an integrated system designed to generate solar power. Since generating solar electricity is the principal supply, supplying these components together forms a naturally bundled **composite supply** . Consequently, the supply attracts the concessional GST rate of 5% under Entry 234 of Schedule-I of Notification No. 01/2017-Central Tax (Rate), irrespective of whether the supplier is a manufacturer or a trader.

P Provisions Relied On

Section 2(30) of the CGST Act, 2017	Section 2(74) of the CGST Act, 2017
Section 2(90) of the CGST Act, 2017	Section 8 of the CGST Act, 2017
Section 97 of the CGST Act, 2017	
Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 (Schedule I, S. No. 234)	
Notification No. 12/2012-CE dated 17.03.2012	Notification No. 06/2002-CE dated 01.03.2002
Notification No. 05/1999-CE dated 28.02.1999	

! For the Practitioner

This ruling establishes that supplying bundled solar equipment (inverters, panels, controllers, batteries) meant for solar power generation qualifies as a **composite supply** taxable at 5% GST under S. No. 234 of Schedule-I. Practitioners can rely on this ruling to support 5% taxability for bundled solar equipment sales regardless of whether the client is a manufacturer or a trader, provided the items are supplied for the specified purpose of solar power generation.

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 -> uttrakhand 07-2018-19 dtd 28-08-18 egl.pdf

Prepared 23-10-2026.

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