# M/S NR Energy Solutions India Pvt Ltd

Authority for Advance Ruling — Maharashtra

**NO.GST-ARA-83/2018-19/B-03, Mumbai dt. 08/01/2019 (the stamped date…** Dated **08.01.2019**

## Q Questions Before the Authority

- Whether the transaction/contract with M/s APTRANSCO for relay and protection panels with substation automation system is in the nature of works contract services and therefore liable to GST @ 18% under HSN 995461.
- If the answer to the above is in the negative, whether the said transaction is supply of goods, and if yes, at what rate of tax and under which HSN code.

## F Facts

The applicant, a manufacturer and supplier of electrical control panels and substation automation systems, holds three turnkey purchase orders from M/s APTRANSCO. The scope covers design, manufacture, supply, delivery, installation, testing and commissioning of relay and protection panels with a substation automation system at various substations. The POs price supply of materials separately from installation, testing and commissioning. The applicant first charged GST at 28% on the goods and later issued credit notes and revised invoices at 18% under SAC 995461, following APTRANSCO's amendment of the contract values.

## H Ruling

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| **Whether the contract with APTRANSCO is works contract services liable to GST @ 18% under HSN 995461** | **Answered in the negative** | No immovable property was transferred in execution of the contract, so the Section 2(119) works contract definition was not met. The transaction is treated as composite supply. |
| **If not works contract, whether the transaction is supply of goods; if yes, rate and HSN** | **Composite supply with goods as principal supply; entire transaction taxable at 18% under Heading 8537** | The goods are boards and panels equipped with two or more apparatus of heading 8535 or 8536, for electric control and distribution of electricity. Services are a minor component (about 2.5% of value). |

The authority answered the works contract question in the negative. It held that the transaction is a composite supply in which the principal supply is goods, and that the entire transaction is taxable at **18% GST under Heading 8537** of the GST Tariff. The department had argued for 28% under sub-heading 85372000, but the authority rejected that rate.

## R Reasoning

The authority held that the panels and automation system were not fixed to immovable property in a way that made the contract a works contract under Section 2(119), so the works contract characterisation failed. It then


Prepared as a reading aid. Where this summary and the original order differ, the order governs.

examined the three POs, which separately priced goods and services, and found that the goods and services were naturally bundled and supplied in conjunction with each other, bringing the transaction within the composite supply definition in Section 2(30). Goods formed about 97.5% of the value, so goods were the principal supply. Classifying the panels under Heading 8537 of the GST Tariff, the authority applied the 18% rate for the whole composite supply.

## P Provisions Relied On

- Section 2(30) CGST Act, 2017 (composite supply)
- Section 2(119) CGST Act, 2017 (works contract)
- Schedule II, GST Act (works contract and construction entries, as referred to in the order without a specific entry number)
- Heading 8537 of the GST Tariff (boards, panels and consoles for electric control or distribution)
- Section 98 CGST Act / MGST Act (advance ruling)

## ! For the Practitioner

This ruling helps suppliers of substation control and protection panels who bundle supply with installation and commissioning, because it treats such turnkey contracts as a composite supply of goods taxable at 18% under Heading 8537. It does not settle the rate for other substation or EPC contracts where the value split, the mix of services, or the nature of the installed equipment differs. It also does not decide that every installed equipment contract is a composite supply, since the authority's conclusion rests on the absence of immovable property being transferred. The ruling binds only the applicant and is appealable to the Maharashtra Appellate Authority.

### 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 -> ara_order_83_2018_maharashtra_nr_esipl.pdf

Prepared 28-10-2026.

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