

Skipper Ltd

Authority for Advance Ruling — West Bengal

22/WBAAR/2018-19 dated 26/11/2018

Q Questions Before the Authority

- Applicability of Serial No. 18 of Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017 to the applicant.

F Facts

The applicant, in a joint venture, entered into a contract with PGCIL for the construction and commissioning of a transmission line project, referred to as the Tower Package. The contract was split into two parts: one for the ex-factory supply of materials and another for allied services like erection, testing, and commissioning. The applicant contended that these were separate supplies and sought to claim the benefit of an exemption notification for the service portion.

H Ruling

Applicability of Serial No. 18 of Notification No. 12/2017-Central Tax (Rate)

Not applicable

The arrangement is a single works contract service

The Authority held that the contract constitutes an indivisible composite supply of works contract service. Consequently, the exemption under Serial No. 18 of the notification is not applicable. GST must be paid on the entire value of the works contract, including materials, transportation, insurance, and erection services.

R Reasoning

The Authority determined that the Tower Package is an **immovable property** because the towers are erected on foundations and intended for use in perpetuity. It found that the two contracts are interdependent and cannot be executed independently, making them an **indivisible composite supply**. The ruling relied on the definition of works contract under Section 2(119) of the GST Act and the classification of such activities as service under Schedule II. It concluded that transportation and insurance are merely components of the bundled works contract service.

P Provisions Relied On

Section 97(2)(b) of the CGST/WBGST Acts, 2017

Section 2(52) of the GST Act

Section 2(119) of the GST Act

Section 7(1)(d) of the GST Act

Section 10(1)(a) and (d) of the IGST Act, 2017

Schedule II to the GST Act

Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017



For the Practitioner

This ruling confirms that splitting a transmission line project into separate supply and service contracts does not prevent it from being classified as a **single works contract**. Practitioners should note that such projects are treated as immovable property, precluding the separate taxation of goods and services. It settles the issue of bundling for transmission tower projects but does not apply to scenarios where the contract is genuinely separable.

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 -> [wbaar-22-2018-19_26.11.18-sl.pdf](#)

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Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com