

**AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICE TAX  
UTTAR PRADESH  
4, Vibhuti Khand, Gomti Nagar, Lucknow-**

ADVANCE RULING NO. UP ADRG 27/2023

DATED 08-5-2023

**PRESENT:**

1. **Shri Rajendra Kumar**  
Additional Commissioner, Central Goods and Service Tax  
Audit Commissionerate, Lucknow .....Member (Central Tax)
2. **Shri Harilal Prajapati**  
Joint Commissioner, State Goods and Service Tax .....Member (State Tax)

|    |   |  |
|----|---|--|
| 1. | Name of the Applicant   | M/s R2V2 TECHNOLOGIES PRIVATE LIMITED<br>Shastri Setu, Pulti Ghar, Police Station Karta,<br>Mirzapur, Uttar Pradesh-231001 |
| 2. | GSTIN or User ID  | 09AAKCR8595G1ZL  |
| 3. | Date of filing of Form GST ARA-01                                 | 30.11.2022   |
| 4. | Represented by  | Mr. Alakto Majumder, FCA   |
| 5. | Jurisdictional Authority-Centre                                   | Range –Range I, Division Mirzapur,<br>Commissionerate-Varanasi   |
| 6. | Jurisdictional Authority-State                                    | Sector-Mirzapur Sector I, Range- Mirzapur,<br>Zone-Varanasi II   |
| 7. | Whether the payment of fees discharged and if yes, the amount CIN | Yes<br>HDFC 22080900386940   |

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 & UNDER SECTION 98  
(4) OF THE UPGST ACT, 2017**

1. M/s R2V2 TECHNOLOGIES PRIVATE LIMITED is registered under GSTIN 09AAKCR8595G1ZL under trade name of M/s R2V2 TECHNOLOGIES PRIVATE LIMITED having principal address at Shastri Setu, Pulti Ghar, Police Station Karta, Mirzapur, Uttar Pradesh-231001 (hereinafter referred as "the applicant"). The applicant intends to supply Solar Home Lighting System consisting of Solar Photo-Voltaic Modules, Lithium Ferro Phosphate battery, Solar Charge Controller, LED Lights, Solar DC Fan, Module Mounting structure, Subscriber end visual display / Tablet, AC-DC Adapter and Conduit items like cable, PVC Pipes, and PVC Fittings.

2. The applicant has submitted application for Advance Ruling dated 30.11.2022 enclosing dully Form ARA filled -01 (the application form for Advance Ruling) along with annexure and attachments. The applicant in his application has sought advance ruling on following question/clarification-

1. Whether the said supply of goods will be covered under 'Solar power based devices', as mentioned at Entry No. 201A of Schedule II of Notification No. 1/2017-CENTRAL TAX (RATE), DATED 28-6-2017, as amended vide Notification No. 8/2021-CENTRAL TAX (RATE) [G.S.R. 693(E)/F. NO. 190354/206/2021 –TRU] DATED 30-9-2021 [Attached].
2. If yes, what will be the applicable GST rate and under which HSN code?



3. If no, what will be the applicable GST rate and under which HSN code?

3. As per declaration given by the applicant in Form ARA-01, the issue raised by the applicant is neither pending nor decided in any proceedings under any of the provisions of the Act, against the applicant.

4. The applicant has submitted that-

4.1 The applicant intends to supply Solar Home Lighting System consisting of Solar Photo-Voltaic Modules, Lithium Ferro Phosphate battery, Solar Charge Controller, LED Lights, Solar DC Fan, Module Mounting structure, Subscriber end visual display / Tablet, AC-DC Adapter and Conduit items like cable, PVC Pipes, and PVC Fittings.

4.2 Solar Home Lighting System is an integrated system with a visual subscriber display / tablet unit designed to provide green energy to a house for lighting and charging devices like cell phone. This display unit/ Tablet is a 10.1' wall mounted unit, which has following components: CPU - 4pcs Cortex, A17, 1.8GHZ\*4, OS - Android 9.0, RAM - 2G of RAM, Storage - 32G ROM, Connectivity- Wi-fi (2.4 GHz(IEEE 802.11 b/g/n 2.4GHz 1T1R)) & Hotspot+ 4G Antenna , Bluetooth2.1, Sensor – Thermal Sensor, Connectivity – MIC, USB, Earphones and HDMI Output, Sound - 2W\*2, 3D Stereo, HiFi Sound Quality+1W\*1 speaker, Camera - Round 5M, and Display (Screen Size) - 10.1 inch.

4.3 Solar home lighting system is a fixed installation designed for domestic application that illuminates the home by drawing power from the solar energy. It uses solar cells to convert solar energy, directly received from sunlight to electricity. The electricity, thus generated, is stored in batteries, and used for the purpose of lighting the home whenever required.

4.4 Such solar PV module is installed in the open on roof / terrace and exposed to sunlight throughout the day. The charge controller and battery are kept inside a protected place in the house.

4.5 The solar module requires periodic dusting for effective performance. Operation time of such solar home lighting systems largely depends on the capacity of the system. The system also provides for buffer storage for 1-2 cloudy days.

#### **5. Statement of relevant facts having a bearing on the question(s) raised**

5.1 The Central Board of Indirect Taxes and Customs [CBIC] notified changes in the GST rates for a host of products with effect from 1st October 2021, including solar panels and modules, solar power based devices, solar power generators, windmills, solar lamps, tidal waves energy devices or plants and their parts, which will be charged a GST of 12% against 5% earlier [Notification No. 8/2021-Central Tax (Rate) dated 30th September 2021].

5.2 If the goods specified above are supplied, by a supplier, along with supplies of service by way of construction or engineering or installation or other technical services, provided in relation of setting up of Solar power based devices or solar power generating system [Please refer entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 (copy attached)], the value of supply of goods for the purposes of this entry shall be deemed as 70% of the gross consideration charged for all such supplies, and the remaining 30% of the gross consideration charged shall be deemed as value of the said taxable service.

5.3 In other words, 70% of the gross consideration will attract 12% GST as goods whereas 30% of the gross consideration will suffer 18% GST as service. In this case, no installation or maintenance service is bundled with the product. The buyer of such



product can always get it installed and maintained by any local vendor of his choice. Therefore, no service is supplied by the applicant with the said product. The applicant only intends to sell the product called Solar Home Lighting System as explained above.

6. The applicant have submitted their interpretation of law as under-

- 6.1 The applicant intends to supply Solar Home Lighting System which has already been described. However, 'solar power based devices', as mentioned in the said notification, has neither been defined either in CGST / IGST Act 2017 nor in Chapter 84, 85 or 94.
- 6.2 The said supply of goods, as described under point 12B, is nothing but a solar power-based device. Solar home lighting system illuminates the home by first drawing power from the solar energy, directly received from sunlight, and then using solar cells to convert such solar energy to electricity. The electricity, thus generated, is stored in batteries, and used for the purpose of lighting the home whenever required.
- 6.3 It should, therefore, essentially get covered under the 'Solar power based devices' vide entry No. 201A of Schedule II of Notification No. 1/2017-CENTRAL TAX (RATE), DATED 28-6-2017, as amended vide Notification No. 8/2021-CENTRAL TAX (RATE) [ G.S.R. 693(E)/F. NO. 190354/206/2021 -TRU] DATED 30-9-2021.

Schedule II - 6%

| Sl. No. | Chapter/Heading/Sub-heading/Tariff item | Description of Goods  |
|---------|---|---|
| (1)     | (2)                                     | (3)   |
| 201A    | 84,85,or 94                             | <p>Following renewable energy devices and parts for their manufacture: -</p> <p>(a) Bio-gas plant;</p> <p>(b) Solar power based devices;</p> <p>(c) Solar power generator;</p> <p>(d) Wind mills, Wind Operated Electricity Generator (WOEG);</p> <p>(e) Waste to energy plants/devices;</p> <p>(f) Solar lantern/solar lamp;</p> <p>(g) Ocean waves/tidal waves energy devices/plants;</p> <p>(h) Photo voltaic cells, whether or not assembled in modules or made up into panels.</p> |

6.4 Under these facts and circumstances, the applicant is of the view that the right interpretation of law will be to essentially include such supply of solar home lighting system under 'solar power based devices' as mentioned in the said notification. Otherwise, intent of the legislatures will be squarely defeated particularly when they are encouraging generation and usage of renewable energy to combat and contain pollution.

6.5 Therefore, it is humbly submitted that the Ld. Authority may determine the applicable rate and prescribe the HSN code for the aforementioned supply to be made by the applicant in the near future.



7. The application for advance ruling was forwarded to the Jurisdictional GST Officer vide letter dated 28.02.2023 to offer their comments/views/verification report on the matter. But no comment was offered by Jurisdictional GST Officer.

8. The applicant was granted a personal hearing on 27.04.2023 which was attended by Mr. Alakto Majumder, FCA Authorized Representatives during which he reiterated the submissions made in the application of advance ruling.

9. Applicant vide E mail dated 11.05.2023 submitted following additional relevant facts and sought clarification in respect of 6-8 digit HSN Code:-

- a. We used to issue invoices with HSN code 9405 with 12% GST [9405 LED lights or fixtures including LED lamps 12%]. Taxpayers with up to Rs 5 crore turnover are required to report 4-digit HSN codes in their GSTR-1. A copy of the invoice is attached for your reference.
- b. Now that our Turnover has crossed 5 Cr in FY 22-23, we have to issue invoices with 6 /8 digit code. However, we do not find any such 6/ 8 digit codes that match our product and attract a 12% GST rate. All codes with the word 'solar' referred in our excel file shared with you earlier carry 18% GST rate.
- c. The Notification No. 8/2021 dated 30.09.2021 has amended the Notification No. 1/2017 dated 28.06.2017 by inserting Entry No. 201A in Schedule II i.e. 12% GST. Hence, we sought Advance Ruling on the matter to identify the appropriate code. All such Notifications were attached with the application.

### **DISCUSSION AND FINDING**

10. At the outset, we would like to make it clear that the provisions of both the CGST Act and the UPGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the UPGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / UPGST Act would be mentioned as being under the 'CGST Act'.

11. We have gone through the submissions made by the applicant and have examined the interpretation submitted by them. At the outset, we find that the issue raised in the application is squarely covered under Section 97(2) (a) of the CGST Act 2017 being a matter related to classification of goods or services or both. We therefore, admit the application for consideration on merits.

12. The applicant intends to supply Solar Home Lighting System consisting of Solar Photo-Voltaic Modules, Lithium Ferro Phosphate battery, Solar Charge Controller, LED Lights, Solar DC Fan, Module Mounting structure, Subscriber end visual display / Tablet, AC-DC Adapter and Conduit items like cable, PVC Pipes, and PVC Fittings.

Solar Home Lighting System is an integrated system with a visual subscriber display / tablet unit designed to provide green energy to a house for lighting and charging devices like cell phone.

13. The applicant in his application has sought advance ruling on following question/clarification-

Whether the said supply of goods will be covered under 'Solar power based devices', as mentioned at Entry No. 201A of Schedule II of Notification No. 1/2017-

CENTRAL TAX (RATE), DATED 28-6-2017, as amended vide Notification No. 8/2021-CENTRAL TAX (RATE) [G.S.R. 693(E)/F. NO. 190354/206/2021 -TRU] DATED 30-9-2021 [Attached].

1. If yes, what will be the applicable GST rate and under which HSN code?
3. If no, what will be the applicable GST rate and under which HSN code?

14. We have examined the applicant's submission in the light of Notification No. 1/2017-CENTRAL TAX (RATE), DATED 28-6-2017, as amended vide Notification No. 8/2021-CENTRAL TAX (RATE).

The relevant portion of Notification No. 08/2021-Central Tax (Rate) dated 30.09.2021, reads as under-

*G.S.R. ....(E).- In exercise of the powers conferred by sub-section (1) of section 9 and sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.1/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 673(E), dated the 28th June, 2017, namely:-*

.....  
(b) in Schedule II – 6%,  
.....

(iv) after S. No. 201 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

| Sl. No. | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Services  |
|---------|---|--|
| (1)     | (2)   | (3)  |
| ....    | .....   | .....  |
| "201A   | 84, 85 or 94  | <p>Following renewable energy devices and parts for their manufacture:-</p> <p>(a) Bio-gas plant;</p> <p>(b) <b>Solar power based devices;</b></p> <p>(c) Solar power generator;</p> <p>(d) Wind mills, Wind Operated Electricity Generator(WOEG);</p> <p>(e) Waste to energy plants / devices;</p> <p>(f) <b>Solar lantern / solar lamp;</b></p> <p>(g) Ocean waves/tidal waves energy devices/plants;</p> <p>(h) Photo voltaic cells, whether or not assembled in modules or made up into panels. Explanation:- If</p> |



|      |       |  |
|------|-------|--|
|      |       | <p><i>the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017 [G.S.R. 690(E)], the value of supply of goods for the purposes of this entry shall be deemed as seventy per cent. of the gross consideration charged for all such supplies, and the remaining thirty per cent. of the gross consideration charged shall be deemed as value of the said taxable service."</i></p> |
| .... | ..... | .....  |

Table

15. The relevant HSN codes under which product "Solar Home Lighting System" may fall are as under:

| HSN code        | Description of Goods  |
|-----------------|---|
| 8513            | Portable electric lamps designed to function by their own source of energy (for example, dry batteries, accumulators, magnetos), other than lighting equipment of heading 8512.   |
| 85438992        | Equipment or gadgets based on solar energy  |
| 9405            | Lamps and lighting fittings, incl. searchlights and spotlights, and parts thereof, n.e.s; illuminated signs, illuminated nameplates and the like having a permanently fixed light source, and parts thereof, n.e.s. Products Include: Tubelight |
| <b>94055040</b> | <b>SOLAR LANTERNS/LAMP ETC Products Include: Solar Battery, Solar Lantern, Solar Street Light, Solar System</b>   |

**16. THE GENERAL RULES FOR THE INTERPRETATION OF IMPORT TARIFF**

As per Rule 3 (a) of the above said rule "The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

(b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to (a), shall be classified as if they consisted of the material or component which gives them their essential character, in so far as this criterion is applicable.

(c) When goods cannot be classified by reference to (a) or (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.”

17. From the analysis of the above paras, we are of the considered views that the Solar Home Lighting System to be classified under heading 94055040 and is taxable GST @ 12% (CGST @ 6% and SGST @ 6%).

18. In view of the above discussions, we, both the members unanimously rule as under;

### RULING

1. Whether the said supply of goods will be covered under ‘Solar power based devices’, as mentioned at Entry No. 201A of Schedule II of Notification No. 1/2017-CENTRAL TAX (RATE), DATED 28-6-2017, as amended vide Notification No. 8/2021-CENTRAL TAX (RATE) [G.S.R. 693(E)/F. NO. 190354/206/2021 –TRU] DATED 30-9-2021 [Attached].

**Answer:** Replied in affirmative.

2. If yes, what will be the applicable GST rate and under which HSN code?

**Answer:** Solar Home Lighting System to be classified under heading 94055040 and is taxable GST @ 12% (CGST @ 6% and SGST @ 6%)

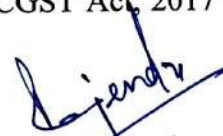
3. If no, what will be the applicable GST rate and under which HSN code?

**Answer:** NA

19. This ruling is valid only within the jurisdiction of Authority for Advance Ruling Uttar Pradesh and subject to the provisions under Section 103(2) of the CGST Act, 2017 until and unless declared void under Section 104(1) of the Act.

  
(Harilal Prajapati)

Member of Authority for Advance  
Ruling

  
(Rajendra Kumar)

Member of Authority for Advance  
Ruling

To,

M/s R2V2 TECHNOLOGIES PRIVATE LIMITED  
Shastri Setu, Pulti Ghar, Police Station Karta,  
Mirzapur, Uttar Pradesh-231001

### **AUTHORITY FOR ADVANCE RULING –UTTAR PRADESH**

Copy to –

1. The Chief Commissioner, CGST & Central Excise, Lucknow, Member, Appellate Authority of Advance Ruling.
2. The Commissioner, Commercial Tax, Uttar Pradesh, Member, Appellate Authority of Advance Ruling.
3. The Commissioner, CGST & C. Ex, GST 9, Maqbool Alam Road, Near Zila Kutchehari, Varanasi-221002.
4. The Deputy/Assistant Commissioner, CGST & Central Excise Division-Mirzapur, Sabri Jungi Road, Mirzapur-231001.
5. Through the Additional Commissioner, Gr-I, Commercial Tax, Varanasi-Zero-II, Varanasi, Uttar Pradesh to jurisdictional tax assessing officers.

**Note:** An Appeal against this advance ruling order lies before the Uttar Pradesh Appellate Authority for Advance Ruling for Goods and Service Tax, 4, Vibhuti Khnad, Gomti Nagar, Lucknow – 226010, within 30 days from the date of service of this order.