

M/s Super Wealth Financial Enterprises (P) Ltd.

Authority for Advance Ruling — Odisha

Order No. 04/Odisha-AAR/2018-19 dated 31.10.2018

Q Questions Before the Authority

- Applicability of Entry No. 3 of Notification No. 12/2017-Central Tax to the services provided by the applicant by way of providing energy saving street lighting services including OM of the street lighting installations to Bhubaneswar Municipal Corporation (BMC).

F Facts

The applicant entered into an Energy Performance Contract with the Bhubaneswar Municipal Corporation to provide energy-efficient street lighting. This involved installing energy-saving equipment on existing poles, managing the system for 10 years, and eventually transferring the assets to the municipal body. The applicant sought an advance ruling on whether these services qualified as a supply of pure services exempt under Notification No. 12/2017-Central Tax.

H Ruling

Applicability of exemption under Entry No. 3 of Notification No. 12/2017-Central Tax

Not available

The activity involves significant supply of goods and constitutes a works contract.

The Authority ruled that the services provided do not constitute a supply of pure services. Consequently, the benefit of the tax exemption under Entry No. 3 of Notification No. 12/2017-Central Tax is not available to the applicant.

R Reasoning

The Authority reasoned that the contract involves the **substantial use of goods** and materials, such as LED lights and control panels, which contradicts the definition of a pure service. Furthermore, the contract fits the definition of a **works contract** under Section 2(119) of the CGST Act because it includes installation, maintenance, and the eventual transfer of business assets. Since the service is not a pure service and involves the supply of goods, it fails to meet the conditions for exemption under Entry No. 3 of Notification No. 12/2017-Central Tax.

P Provisions Relied On

Section 97 of the CGST Act

Section 98 of the CGST Act

Section 2(69) of the CGST Act

Section 2(119) of the CGST Act

Section 18(6) of the CGST Act

Entry No. 3 of Notification No. 12/2017-Central Tax

Rule 104 of CGST Rules



For the Practitioner

This ruling clarifies that energy performance contracts involving the installation and maintenance of street lighting infrastructure are generally treated as works contracts rather than pure services. Practitioners should note that the **transfer of business assets** at the end of a contract term is a significant factor in determining the nature of the supply. This decision limits the ability of contractors to claim exemptions for municipal infrastructure projects that require the provision of physical goods.

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 -> odisha aar-04-2018 dtd 31.10.18-swfepl.pdf

Prepared 21-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

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