M/s. UJJWAL PUNE LIMITED

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-75/2018-19/B-173, Mumbai Dated **29.12.2018**

Q Questions Before the Authority

- What is the nature of services provided under the Contract, and is it covered under Sl. No. 3(vi)(a) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notifications 24/2017, 31/2017 and 17/2018 (dated 26.07.2018)?
- What is the rate of GST applicable for the Project?

F Facts

Ujjwal Pune Limited, a Tata Projects subsidiary, won a 12-year design, build, finance, operate, maintain and transfer contract from Pune Municipal Corporation to install energy-efficient dimmable LED street lights with a feeder-based SCADA system. PMC pays 98.5% of the energy savings, valued at Rs 5.80 per unit, and the applicant retains ownership of the fixtures until handover at the end of the period. The applicant claimed the contract was a works contract for a local authority, taxable at 12% under entry 3(vi)(a).

H Ruling

Whether the Contract's services fall under Sl. No. 3(vi)(a) of Notification 11/2017-CT(Rate), as amended	****No.** Answer in the negative.**	The contract is a composite supply with goods as principal supply. It is not a works contract under section 2(119), and the notification covers services only.
Rate of GST applicable for the Project	****12% (6% CGST and 6% SGST)****	The body of the order classifies LED lights or fixtures, including LED lamps, under sub-heading 9405 40 90 at 12%.

The authority held that the contract is a composite supply in which the principal supply is goods (the LED fixtures), so it is not a works contract under section 2(119). Because the notification covers services only, the activity does not fall under entry 3(vi)(a). The applicant must discharge GST on the goods at the tariff rate, which the order states is 12% (6% CGST and 6% SGST).

R Reasoning

The authority found that the bid covered supply of LED fixtures together with installation, SCADA operation and maintenance, so the transaction is a composite supply under section 2(30). It treated the fixtures as the principal supply because the other services depend on them, under section 2(90). On the works contract question, it held that LED fixtures on existing poles are removable without damage and are not immovable property under section 2(6) of the Registration Act or section 3(26) of the General Clauses Act. It also rejected the applicant's argument that non-usefulness for other purposes makes the fixtures immovable, since that is not part of the definition. Because the goods are principal, the entry for services did not apply, and the tariff rate for the goods was applied.

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

P Provisions Relied On

- Section 2(119) CGST Act (works contract)
- Section 2(30) CGST Act (composite supply)
- Section 2(90) CGST Act (principal supply)
- Section 2(69) CGST Act (local authority)
- Section 2(17) CGST Act (business), with the explanation in Notification 17/2018-CT(Rate)
- Section 2(6) Registration Act, 1908 (immovable property)
- Section 3(26) General Clauses Act, 1987 (immovable property)
- Notification 11/2017-CT(Rate), Sl. No. 3(vi)(a), as amended by 24/2017, 31/2017 and 17/2018
- Explanation to section 2(zs) of Notification 12/2017 (original works)
- GST Tariff sub-heading 9405 40 90 (LED lights and fixtures), as cited in the body of the order
- Sections 97 and 98 CGST and MGST Acts (advance ruling procedure)

! For the Practitioner

This ruling helps practitioners assess whether LED street-lighting or similar PPP energy-efficiency contracts with local bodies can rely on the 12% works contract entry. It shows that the authority will treat the goods as the principal supply where fixtures are the core of the contract, and it rejects the argument that non-usefulness makes fixtures immovable. It does not decide whether a works contract for other civic infrastructure would qualify, and it does not address the original-works argument, which the authority did not reach.

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_75_2018_maharashtra_ujjwal.pdf

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