

Gaurish Sharma (M/s G K Enterprises)

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2019-20/34 dated 05.03.2020

Q Questions Before the Authority

- Whether in the facts and circumstances of the case, does the activity carried out by the Applicant falls under Entry No. (iv)(a) of Notification No. 11/2017-CT(R)?
- Alternatively, whether in the facts and circumstances of the case, does the activity carried out by the Applicant falls under Entry No. (ix) of Notification No. 11/2017-CT(R)?

F Facts

The applicant is a proprietorship concern proposing to bid for a contract involving the shifting and erection of 11 KV and LT electrical lines. This work is part of a larger highway development project awarded by NHAI to a main contractor. The applicant sought to determine if their specific activity of utility shifting qualifies for concessional GST rates under specific entries of the Rate Notification.

H Ruling

Applicability of Entry (iv)(a) of Notification No. 11/2017-CT(R)	Does not fall under the entry	The activity is restricted to shifting/erection of electrical lines and is not construction of a road
Applicability of Entry (ix) of Notification No. 11/2017-CT(R)	Does not fall under the entry	The activity is independent and lacks the required nexus to the main contract awarded by NHAI

The Authority ruled that the applicant's proposed activity does not fall under either of the requested entries. It concluded that the shifting of electrical lines is an independent activity and does not constitute a works contract for the construction of a road or a sub-contract related to the main highway project.

R Reasoning

The Authority reasoned that the cost of the utility shifting is borne separately by the authority or the utility-owning entity, establishing that it is not part of the main highway construction contract. Consequently, the applicant cannot be treated as a sub-contractor to the main contractor for the purpose of the cited notifications. The ruling turned on the interpretation of the scope of work defined in the agreement and the specific conditions required to qualify for concessional rates under Notification No. 11/2017-Central Tax (Rate).

P Provisions Relied On

Section 97(2) of the CGST/SGST Act, 2017

Section 2(119) of the CGST Act

Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017



For the Practitioner

This ruling clarifies that **utility shifting activities** performed independently of the main construction contract do not automatically qualify for the concessional GST rates applicable to road construction works contracts. It serves as a warning that sub-contractors must demonstrate a **direct nexus** to the main contract to avail of specific concessional entries. It does not decide the taxability of the service under other headings not specifically requested.

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 -> raj_aar_34_2019-20_05.03.2020_gke.pdf

Prepared 20-10-2026.

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