

M/s National Highway Authority of India (Regional Office)

Authority for Advance Ruling — Rajasthan

ADVANCE RULING NO. RAJ/AAR/2019-20/09 dated 28.05.2019

Q Questions Before the Authority

- Whether there is any 'Asset Transfer' involved which is a supply leviable to GST in the work of shifting & raising of transmission lines owned by RVPNL by NHAI in the course of widening, modification & diversification of its highways after completion of this work?
- Without prejudice to the submissions made above, if there is an 'Asset transfer' which is a Supply under GST, then who is liable to pay GST?
- If above GST is to be paid by the Applicant, then the same will be exempt vide Entry 4 of Notification no. 12/2017- Central Tax (rate) dated 28.06.2017?

F Facts

The applicant, NHAI, is undertaking the widening and modification of national highways. This process requires the shifting or raising of existing power transmission lines owned by Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) to ensure safe electrical clearances. NHAI bears the cost of this modification work, and the question arises whether this activity constitutes an 'Asset Transfer' that is a taxable supply under GST.

H Ruling

Whether the activity is an 'Asset Transfer' leviable to GST

No

The constructed assets do not qualify as 'goods' under the GST Act

The Authority ruled that the assets constructed by the applicant do not fall under the category of 'goods' as defined under the GST Act. Consequently, the activity does not constitute a supply, and therefore, no GST is leviable on the transaction.

R Reasoning

The Authority reasoned that the power transmission lines constructed by the applicant are immovable property and do not meet the definition of 'goods' under Section 2(52) of the GST Act. Furthermore, it observed that the element of consideration is absent in the transfer of these assets, as the ownership remains with RVPNL. Since the activity does not qualify as a supply under Section 7 of the GST Act, the provisions regarding the transfer of business assets under Schedule II are not applicable.

P Provisions Relied On

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

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

Section 7 of the GST Act, 2017

Section 2(52) of the GST Act, 2017

Section 2(31) of the GST Act, 2017

Schedule II of the GST Act, 2017

! For the Practitioner

This ruling provides relief to entities like NHAI by clarifying that the **shifting and raising of utility infrastructure** that results in immovable property does not constitute a taxable supply of goods. It settles that such activities, where no consideration is involved and the asset is not 'goods', are **outside the scope of GST**. Practitioners should note this does not address the taxability of the separate supervision or shut-down services provided by the utility company, which the applicant acknowledged as taxable.

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-2019-20_09-nhai.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