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Authority for Advance Ruling — Rajasthan

Advance Ruling No. RAJ/AAR/2019-20/28, dated 18.12.2019 (Rajasthan A… Dated **18.12.2019**

Q Questions Before the Authority

- Whether entry number 10 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 applies to the applicant, so that the pure labour services the applicant supplies under the sub-contract are exempt.
- If the notification does not apply, what will be the classification and HSN (SAC) for the services provided by the applicant.

F Facts

Party A (Sunrise Construction Company) contracted with the Rajasthan Government to build 270 flats under the Pradhan Mantri Awas Yojana (PMAY), including material and labour. Party A sublet the work to Party B (M/s Banna Ram Choudhary), which in turn sub-contracted the applicant, under a 12.10.2019 agreement, for pure labour services limited to chunai (masonry) and plaster work, with the applicant controlling its own labour.

H Ruling

Whether Entry 10 of Notification No. 12/2017-CT(Rate) applies to the applicant's pure labour supply to Party B for PMAY flats	****Covered; exempt (Nil rate)****	Applies to services by way of pure labour contract for construction of a civil structure or other original works under PMAY. The ruling does not separately answer the second question (classification and HSN if not exempt), since the first answer makes it unnecessary.

The authority ruled that the pure labour contract services supplied by the applicant for construction of PMAY flats are covered by the exemption in Entry 10 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (as amended). The ruling therefore treats the applicant's sub-contract supply as exempt, and it does not separately answer the second question on classification and HSN.

R Reasoning

The authority found the applicant was a sub-contractor supplying pure labour services for construction of 270 PMAY flats, based on the sub-contract agreement that refers to the original work. It read Entry 10 as project-centric rather than person-centric: the entry does not mention contractors or sub-contractors but covers whoever supplies pure labour contract services for construction of civil structures or other original works under PMAY. It relied on the notification's definition of 'original works' and the jurisdictional officer's comments, which concluded that a sub-contract does not change the nature of the original contract with the employer.

P Provisions Relied On

- Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (as amended), Entry 10 (Heading 9954), exemption for pure la…
- Definition of 'original works' as quoted from the notifications in the order
- Section 97(2)(b) of the CGST/SGST Act, 2017 (admissibility of the application, as recited in the order)
- Section 100 of the CGST/RGST Act, 2017 (appeal period of 30 days, as noted in the order)

! For the Practitioner

Sub-contractors supplying pure labour for PMAY or Housing for All (Urban) projects can rely on this ruling to claim the Entry 10 exemption, since the authority read the entry as project-centric and not limited to the main contractor. The ruling is limited to pure labour supply under PMAY; it does not address supplies that include material, works outside PMAY, or the classification and HSN that would apply if the exemption were unavailable. It is a non-precedential advance ruling confined to the applicant's facts.

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 -> scanned_aar_order_28_sevk_ram_sahu.pdf

Prepared 15-11-2026.

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