

THE AUTHORITY FOR ADVANCE RULING IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU - 560 009

F. No. KAR. AAR 20/2026

Order No. KAR.ADRG 20/2026

Dated:16.03.2026

Present:

1. Shri. Kalyanam Rajesh Rama Rao

Additional Commissioner of Customs & Indirect Taxes ...Member (**Central**)

2. Shri. Sivakumar S Itagi

Additional Commissioner of Commercial Taxes . . . Member (**State**)

1	Name and address of the applicant	M/s House Construct Infra (Legal Name-Krishnappa Gangadhar), # 88, 2nd Main Road, 9th Cross, Muneshwar Layout, Laggere, Near by Shaneshwar Temple, Bengaluru, Karnataka, 560058
2	GSTIN or User ID	29AGYPG7393N1Z4
3	Date of filing of Form GST ARA-01	02.07.2025
4	Represented by	CA Aravindkumar Diggi
5	Jurisdictional Authority - Centre	The Commissioner of Central Tax, Bengaluru North West Commissionerate, Bangalore
6	Jurisdictional Authority - State	ACCT, LGSTO 076 -Bangalore
7	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act,2017 & Rs.5,000/- under KGST Act,2017 through debit from Electronic Cash Ledger vide reference No. DC29072500009466 dated 02.07.2025

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017

M/s House Construct Infra (Legal Name-Krishnappa Gangadhar), (herein after referred to as '**the Applicant**') # 88, 2nd Main Road, 9th Cross, Muneshwar Layout, Laggere, Near By Shaneshwar Temple, Bengaluru, Karnataka, 560058, having GSTIN 29AGYPG7393N1Z4, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017.

2. The Applicant is engaged in the supply of *pure labour services* to various **single residential dwelling units**. The Applicant does **not** provide such services to residential apartments or residential complexes. The services are supplied

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exclusively to **stand-alone residential dwelling units**. Further, the Applicant does **not** supply any material whatsoever, and the scope of work is strictly restricted to the supply of pure labour services only.

3. The Applicant has sought advance ruling in respect of the following question:

“taxability on supply of pure labour service to various single standalone residential dwelling units.”

4. **Admissibility of The Application:** The Applicant, under Column 13 of Form ARA-01, has selected two categories of issues, namely:

- (i) *Applicability of a notification issued under the provisions of this Act, and*
- (ii) *Determination of the liability to pay tax on any goods or services or both.*

On examination of the nature of the questions raised and the issues involved, it is found that the applicant has correctly selected the said categories of issues. Accordingly, the present application is held to be admissible in terms of Section 97(2)(b) and Section 97(2)(e) of the CGST Act, 2017.

5. **Brief Facts of The Case:** - The Applicant is engaged in the supply of **pure labour services**, without involving any supply of goods or materials, to **individual owners of single residential dwelling units**. The Applicant does **not** provide such services to residential apartments, residential complexes, or housing projects. The services are confined exclusively to **stand-alone residential dwelling units** and are in the nature of pure labour supply -only

6. **Applicant’s Interpretation of Law:** - The applicant has referred to Entry Serial No. 11 of Notification No. 12/2017–Central Tax (Rate) dated 28.06.2017, as amended, and has stated that, as per said entry, Services by way of pure labour contracts of construction, erection, commissioning, or installation or original works pertaining to a single residential unit otherwise than as a part of a residential complex is exempted from GST.

7. **PERSONAL HEARING PROCEEDINGS HELD ON 18.12.2025:**

CA Aravind kumar Diggi and Kedarnath M, tax consultant, the duly authorised representatives of the applicant, appeared for the personal hearing held on 18.12.2025 before this Authority and reiterated the facts as narrated in the application and stated that as per Entry No. 11 of Notification No. 12/2017-CT (R) dated 28.06.2017, as amended, services by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex is exempted from GST.

FINDINGS & DISCUSSION:



8. At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 and the Karnataka Goods and Services Tax Act, 2017 are *pari materia* and contain identical provisions on all material aspects, differing only in respect of certain specific provisions. Accordingly, unless a particular reference is made to such dissimilar provisions, any reference to the CGST Act, 2017 shall also be construed as a reference to the corresponding provisions of the KGST Act, 2017.

9. We have considered the submissions made by the applicant in the application for advance ruling. We have also examined the issues on which the advance ruling has been sought, the relevant facts of the case, and the arguments advanced by the applicant, including the submissions made by the learned authorised representative during the course of the personal hearing.

10. We have carefully examined the application made by the applicant, the submissions provided therein, the arguments advanced during the personal hearing. The main issues for consideration are “Applicability of a notification issued under the provisions of this Act” and “Determination of the liability to pay tax on any goods or services or both.

11. The applicant seeks advance ruling in respect of the question mentioned at para 3 supra. We proceed to answer the question.

12. Exemption for the pure labour services provided to Single residential unit is governed under Entry Serial No. 11 of Notification No. 12/2017-CT (R) dated 28.06.2017, as amended. The said Notification and definitions is reproduced below to decide the issue in question.

12.1 Entry Serial No. 11 of Notification No. 12/2017-CT (R) dated 28.06.2017 as amended: -

Serial No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (Per Cent)	Conditions
11	Heading 9954	Service by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex .	NIL	NIL

12.2 The phrase “service by way of pure labour contracts of construction, erection, commissioning, or installation of original works pertaining to a single residential unit otherwise than as a part of a residential complex” covers services where the supplier undertakes **only labour-oriented activities**, without any supply of goods or materials, in relation to **original works** of a **single residential dwelling unit**.

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12.3 The essential ingredients of this entry are:

- (i) the service must be in the nature of a **pure labour contract**, meaning that there is no transfer of property in goods and no material is supplied by the service provider;
- (ii) the activities must relate to **construction, erection, commissioning, or installation**;
- (iii) such activities must pertain to **original works**,
- (iv) the services must be provided in respect of a **single residential unit**, and **not forming part of a residential complex**.

12.4 The words "Original works", "residential complex" and Single residential Unit are defined under Paragraph 2(zs), 2 (zzb) and 2 (zze) respectively of the Notification No. 12/2017- CT (R) dated 28.06.2017. as amended, which is reproduce below:

12.5 As per Paragraph 2(zs) of Notification No. 12/2017- CT (R) "**Original Works**" means- all new constructions;

- (i) all type of additions and alterations to abandoned or damaged structures on land that are required to make them workable;
- (ii) erection, commissioning or installation of plant, machinery or equipment or structures, whether pre-fabricated or otherwise;

12.6 As per Paragraph 2 (zzb) of Notification No. 12/2017- CT (R) "**Residential Complex**" means any complex comprising of a building or buildings, having more than one single residential unit.

12.7 As per Paragraph 2 (zze) of Notification No. 12/2017- CT (R) "**Single residential unit**" means a self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family.

12.8 In view of the above, on a conjoint reading of **Entry No. 11 of Notification No. 12/2017-Central Tax (Rate)** along with the relevant definitions, it is evident that services by way of pure labour contracts, **i.e.**, contracts where there is no transfer of property in goods and no material is supplied by the service provider, involving construction, erection, commissioning, or installation of original works (which include new construction or first-time installation), pertaining to a single residential dwelling unit, otherwise than as a part of a residential complex, are exempt from GST.

The said exemption does **not** extend to services provided in respect of **apartment buildings, housing projects, or residential complexes** comprising **more than one dwelling unit with common infrastructure and shared facilities**.

12.9 The issue to be decided is whether the services supplied by the Applicant qualify for exemption under **Entry No. 11 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended**.

The Applicant is engaged in providing **pure labour services**, wherein the scope of work is strictly confined to deployment of labour for **construction, erection, commissioning, or installation activities**, without supply of any goods or



materials. It is an admitted fact that there is **no transfer of property in goods** involved in the execution of such contracts, and the Applicant does not supply any material whatsoever.

We observe that Entry No. 11 of the said notification grants exemption to **pure labour contracts** relating to **original works**, which include **new construction or first-time installation**, provided such services pertain to a **single residential dwelling unit** and are supplied **otherwise than as a part of a residential complex**. The phrase "*otherwise than as a part of a residential complex*" clearly excludes services rendered in respect of **apartment buildings, housing projects, or residential complexes** comprising multiple dwelling units with common infrastructure and shared facilities.

From the facts placed on record, it is evident that the Applicant provides services **only to individual owners of stand-alone residential houses** and not to residential apartments or complexes. The services are rendered independently to single residential units and are not linked to any residential complex or project.

13. In view of the above facts and the legal position, we find that the services supplied by the Applicant satisfy all the essential conditions prescribed under Entry No. 11 of Notification No. 12/2017-Central Tax (Rate). Accordingly, the supply of **pure labour services for construction, erection, commissioning, or installation of original works pertaining to single residential dwelling units**, otherwise than as part of a residential complex, is **exempt from GST**, subject to fulfilment of the conditions stipulated in the said notification.

14. In view of the foregoing, we pass the following.

RULING

The services by way of pure labour contracts for construction, erection, commissioning, or installation of original works, pertaining to a single residential dwelling unit, otherwise than as a part of a residential complex, are exempt from GST in terms of Entry No. 11 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, as amended, subject to fulfilment of the conditions that the activity qualifies as original works, the residential unit is a single stand-alone dwelling unit, and the same does not form part of a residential complex.



(Kalyanam Rajesh Rama Rao)

Member

MEMBER

Karnataka Advance Ruling Authority

Place: Bengaluru 560 009

Date: 16.03.2026

M/s House Construct Infra.



(Sivakumar S Itagi)

Member

MEMBER

Karnataka Advance Ruling Authority

Bengaluru - 560 009



To,
The Applicant,

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bengaluru North West Commissionerate.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-076, Bangalore.
5. Office Folder.

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