

GIB/DL/SHRI SANJEEV/28.03.18/AAR-34

Advance Ruling Category : Classification

State : Delhi

Order No.: GIB/DL/SHRI SANJEEV/28.03.18/AAR-34

Name of Entry :
Shri Sanjeev Sharma

Date : 28-03-2018

Product/ Service Involve :
Development and sale of residential houses

Breif Issue :

1. Whether GST will be applicable on the sale of undivided and impartible share of land represented by agreement to sell the land?
2. Whether GST will be applicable on sale of superstructure (which is under construction)
3. If yes
 - (i) what will be the value on which tax is payable?
 - (ii) what would be applicable rate for charging GST?

Decision of Advance Ruling Authority :

In the case of supply of services by way of construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer wholly or partly, except where the entire consideration has been received after issuance of completion certificate or after its first occupation whichever is earlier, GST would be payable on 2/3rd of the total amount consisting of amount charged for transfer of land or undevided share of land, as the case may be, and whole of the consideration charged for supply of goods and services.

Even if the agreement between the applicant and the buyer is entered after part of the construction is already completed, whole of the construction would be added for payment of GST.

The applicable rate of GST on the said 2/3rd of the total amount is 9% CGST and

9% SGST under notification no 11/2017 CTR dated 28/06/2017