

GIB/GJ/Amba /19.05.2020/AAR-321

Advance Ruling Category : Rate

State : Gujarat

Order No.: GIB/GJ/Amba /19.05.2020/AAR-321

Name of Entry :

Amba Township pvt.ltd

Date : 19-05-2020

Breif Issue :

Issue And Facts Of The case -

The applicant, Amba Township Pvt Ltd, is engaged in construction and development of a township namely “**AMBA TOWNSHIP**” which is located at Gandhinagar, Gujarat. That sector -4 of township consists of many real estate projects and has divided its township in 3 phases for which it needed clarity.

The project was divided as Part A (comprising of 2 phases) and Part B, an independent project for affordable housing.

The applicant claimed that Part B is a separate project in itself and also separately registered under RERA Act, 2016 as a “Real Estate Project” and Part B is an independent of other projects within its Phase and Township and has its separate facilities like parking, foyer, electricity connection, water supply etc.

The applicant has sought advance ruling in respect of the following questions:-

Whether, under given facts and circumstances, is benefit of reduced rate as provided under Entry Number 3(v)(da) of the Notification No. 11/2017-Central Tax (Rate) as amended by Notification No.01/2018-Central Tax (Rate) dated 25.01.2018, available to the applicant for houses constructed with a carpet area of 60 square metres per house?”

In order to be eligible for the benefit of the aforementioned notification, the work should be for construction of low-cost houses up to a carpet area of 60 square metres per house in an affordable housing project which has been given infrastructure status vide notification of Government of India, in Ministry of Finance, Department of Economic Affairs vide F. No. 13/6/2009-INF, dated the 30th March,2017.(Affordable housing has been defined as a housing project using at least 50% of FAR/FSI for dwelling units with carpet area of not more than 60 sq.meters).

It is observed from the submission made by the applicant that 74.08% of the FSI of Part-B of the

township of Sector-4 has been used for constructing units with a carpet area of upto 60 sq meters. However, since Part-B of Sector-4 of township cannot be considered as a standalone housing project and since 50% of FAR/FSI of the entire housing project of Sector-4 (of Amba township) comprising of Part-A and Part-B has not been used for construction of dwelling units with carpet area of not more than 60 sq.meters, the benefit of Entry No.3(v)(da) of Notification No:11/2017-Central Tax(Rate) dated 28.06.2017 is not applicable to the applicant.

Decision of Advance Ruling Authority :**Decision:**

The advance ruling authority after hearing all the submissions held that since Part B shares a common entrance, common facilities and common land with Part A, hence it cannot be considered as a standalone independent housing project, based on which it denied the benefits of concessional GST rates to Amba Township Pvt Ltd for its Part B project of the township.