

**GIB/RAJ/Hazari Bagh/30.06.2020/AAR-362**

**Advance Ruling Category :** Classification

**State :** Rajasthan

**Order No.:** GIB/RAJ/Hazari Bagh/30.06.2020/AAR-362

**Name of Entry :**

Hazari Bagh Builders Pvt. Ltd.

**Date :** 30-06-2020

**Breif Issue :**

**Facts & Issue Of The Case :**

- The Applicant company has entered into a long term Lease Agreement of 99 years with RLDA for undertaking residential & commercial development along with development of financial infrastructure as on 08.11.2019. The issue raised by M/s Hazari Bagh Builders Pvt. Ltd., 104, LIC Colony, Vaishali Nagar, Ajmer-305001 Rajasthan (hereinafter the applicant) is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2) (a)(b) given as under:

- a. Classification of any goods or services or both;
- b. Applicability of a notification issued under provisions of this act;

In the present case, RLDA is just providing a parcel of land which is in its ownership therefore; the lease of the same cannot be categorized as meeting condition of industrial plot and for the purpose of financial business, RLDA has leased ordinary plots for residential purpose consequently the conditions of the said notification are not satisfies.

**Decision of Advance Ruling Authority :**

**Decision :**

- i. The Lease Agreement between the Applicant Company i.e. the Lessee and RLDA for a period of 99 years is not exempted from levy of GST in view of the Notification No. 04/2019-Central Tax (rate) dated 29.03.2019 or Notification No. 12/2017-Central Tax (rate) dated 28.06.2017.
- ii. The amount of Rs. 158657105/- which is transferred by the Applicant/SPV in pursuance to the tender and lease agreement dated 08.11.2019 is not exempted under GST in view of the Notification No. 04/2019-Central tax(rate) dated 29.03.2019 or Notification No.

12/2017-Central Tax(rate) dated 28.06.2017.

iii. The amount of Rs. 158657105/- deposited during February, 2019 is not exempted from GST vide Notification No. 04/2019-Central Tax (rate) dated 29.03.2019 or Notification No. 12/2017-Central Tax (rate) dated 28.06.2017.