

GIB/MH/Joyville/26.12.2019/AAR-394

Advance Ruling Category : Rate

State : Maharashtra

Order No.: GIB/MH/Joyville/26.12.2019/AAR-394

Name of Entry :

Joyville Shapoorji Housing Private Limited

Date : 26-12-2019

Breif Issue :

Facts & Issue Of The Case :

The applicant M/s. Joyville Shapoorji Housing Private Limited (Applicant), a real estate developer in India is presently involved in a residential development project.

The applicant, seeking an advance ruling in respect of :

1. Whether the dwelling units at Joyville, Virar qualify as low cost houses? Consequentially whether the said dwelling units are eligible for the concessional rate of 12% under Entry (v) (da) of **Notification No. 11/2017 Central Tax (Rate) dated 28.6.2017** as amended by **Notification No. 1/2018-Central Tax (Rate) dated 25.01.2018** with effect from 25.01.2018?
2. Whether the benefit of concessional rate would be available to common amenities such as club house, swimming pool, etc., except corpus fund subscription and share application money, as mentioned on Annexure D of the agreement for sale?
3. Whether the project of the Applicant at Joyville, Virar qualifies as an 'ongoing project under **Notification No. 3/2019-Central Tax (Rate) dated 29.03.2019** so as to be eligible for the concessional rate of benefit under **Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017**?
4. What would be the rate of Goods and Services Tax on the units at Joyville, Virar which do not qualify the criteria of 'low cost houses'? Whether 12% or 18% tax is to be levied on those units?

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

They pass an order as follows:

1. The dwelling units measuring less than 60 sq.mtrs. will qualify as low cost houses. They are eligible for the concessional rate of 12% (8% GST after deducting value of land) under Entry (v) (da) of **Notification No. 11/2017 Central Tax (Rate) dated 28.6.2017** as amended by **Notification No. 1/2018-Central Tax (Rate) dated 25.01.2018** with effect from 25.01.2018 on such units.
2. Concessional rate of 12%, would be available only in respect of Society Formation Charges; club house development charges; Water, Electricity, Drainage, Sewerage Charges; Legal Service Charges and Documentation Charges which are collected from buyers of houses having area less than 60 sq mtrs.
3. The project of the Applicant at Joyville, Virar qualifies as an 'ongoing project' under **Notification No. 3/2019-Central Tax (Rate) dated 29.03.2019**. Applicant is eligible for the concessional rate of benefit under **Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017**, as amended, only for dwelling units measuring less than 60 sq mtrs.
4. The units at Joyville, Virar which do not qualify the criteria of 'low cost houses' will be taxed at 18% GST.