

**GIB/GJ/DIPESH ANILKUMAR /19.05.2020/AAR-475**

**Advance Ruling Category :** LEVY OF GST

**State :** Gujarat

**Order No.:** GIB/GJ/DIPESH ANILKUMAR /19.05.2020/AAR-475

**Name of Entry :**  
SHREE DIPESH ANILKUMAR NAIK

**Date :** 19-05-2020

**Breif Issue :**

**FACTS OF THE CASE:**

In this case the applicant is the owner of the land, who develops the land with an infrastructure such as Drainage line, Water line, Electricity line, Land levelling etc. as per the requirement of the approved Plan Passing Authority (i.e. Jilla Panchayat). After this development of the land, he sales developed land as plots. His sales price includes the cost of the land as well as the cost of common amenities, Drainage line, Water line, Electricity line, Land levelling charges, etc. on a proportionate basis..

The applicant has submitted that he is having a vacant land outside the municipal area of town on which he has some proposed business activity. The applicant is having all the necessary approvals for the proposed project from the Plan Passing Authority

**ISSUE OF THE CASE:**

Whether GST is applicable on sale of plot of land for which, as per the requirement of approved by the respective authority (i.e. Jilla Panchayat), Primary amenities such as, Drainage line, Water line, Electricity line, Land levelling etc. are to be provided by the applicant?

**Decision of Advance Ruling Authority :**

**DECISION:**

Schedule II of the CGST Act, 2017 pertains to activities or transactions to be treated as "Supply of goods or supply of services". As per clause 5(b) of the Schedule-II of the CGST Act, 2017, construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer is a "Supply of service" and, hence, is liable to the Goods and Services Tax (GST).

The activity of the sale of developed plots would be covered under the clause 'construction of

a complex intended for sale to a buyer'. Thus, the said activity is covered under 'construction services' and GST is payable on the sale of developed plots in terms of CGST Act / Rules and relevant Notification issued time to time.