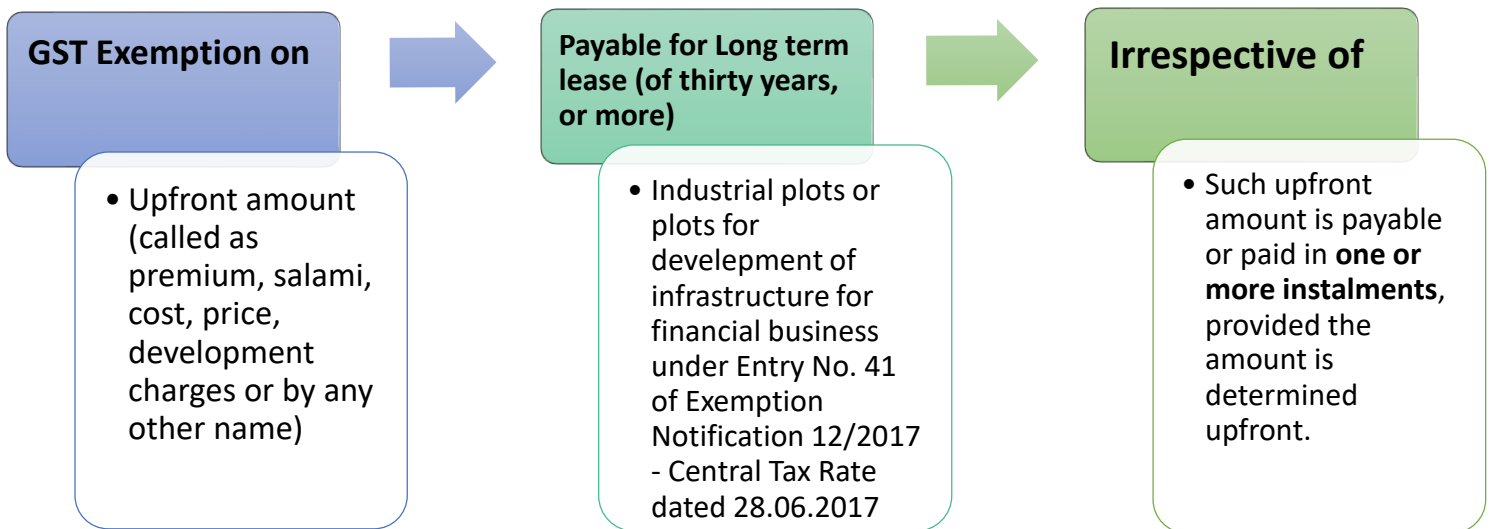


From	Karvy Data Management Services Ltd.
Date	May 02, 2019
Subject	Clarification on GST exemption on the upfront amount payable in installment for long term lease of plots.
Category	Circular
Reference	Circular No. 101/20/2019-GST dated 30.04.2019
Series	Karvy/GST/114

Representations were made to the Government, seeking clarification regarding admissibility of GST exemption on the upfront amount which is determined upfront but is paid or payable in instalments for long term (thirty years, or more) lease of industrial plots or plots for development of financial infrastructure.

Government has issued a circular clarifying on taxability of upfront amount payable for long term lease of plots in installment.

Gist of clarification provided in circular is presented below:



Entry at S. No.41 of Notification 12/2017 – Central Tax (R) dated 28.06.2017 reads as under:

Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate
9972	<p>Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for:</p> <ul style="list-style-type: none"> • Financial business, provided by the State Government Industrial Development Corporations or • Undertakings or by any other entity having 50 % or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area. 	NIL

The Circular can be accessed on <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-101.pdf> 8F

About KARVY DATA MANAGEMENT SERVICES LTD.

Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi, Chennai, Pune and Kolkata. For more information about KDMSL service offerings, visit www.karvygst.com

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