

M/s Goa Tourism Development Corporation

Appellate Authority for Advance Ruling — Goa

ORDER NO. GOA/AAAR/01/26-3/2018-19 4591

Dated 26.03.2018

Q Questions Before the Authority

- Whether GST is applicable on one time concession fees charged by the appellant in respect of their property at Anjuna, Goa, which is given to M/s Myrayash Hotels Pvt. Ltd for a long term lease of 60 years for development of infrastructure for financial business or private investment made on DBFOT basis.

F Facts

The Appellant leased land to M/s Myrayash Hotels Pvt. Ltd. for 60 years on a DBFOT (Design, Build, Finance, Operate and Transfer) basis to develop a 5-star hotel and wedding destination. The Appellant sought an exemption from GST on the one-time concession fees charged for this lease, claiming it fell under the exemption for long-term leases of industrial plots for infrastructure development. The original Advance Ruling authority denied this exemption, leading to the present appeal.

H Ruling

Applicability of GST on one-time concession fees for long-term lease

GST is applicable; the transaction is not exempt.

The lease does not meet the criteria of being for an industrial plot or for the development of infrastructure for financial business.

The Appellate Authority upheld the original ruling, confirming that the transaction is liable for GST. It concluded that the lease does not satisfy the specific criteria for exemption under the relevant notification, as the property is not an industrial plot and the lessee is not developing infrastructure for financial business.

R Reasoning

The authority examined the conditions of Sr. No. 41 of Notification No. 12/2017-Central Tax (Rate) as amended. It determined that the lease was for a commercial hotel project, not for an industrial plot or infrastructure for financial business as intended by the notification. Furthermore, the lessee was not an industrial unit or developer within the scope of the exemption. The authority emphasized that exemption notifications must be **strictly interpreted** and that the appellant failed to meet the cumulative conditions required for the benefit.

P Provisions Relied On

Section 100(1) of the Central Goods and Services Tax Act, 2017

Section 101(1) of the Central Goods and Services Tax Act, 2017

Schedule II of the CGST Act, 2017

Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017

Notification No. 32/2017-Central Tax (Rate) dated 13/10/2017

! For the Practitioner

This ruling clarifies that long-term leases for commercial hospitality projects do not qualify for the GST exemption intended for industrial plots or financial infrastructure. It serves as a reminder that **exemption notifications are construed strictly** and that the specific purpose of the land use is a decisive factor. It does not provide relief for entities attempting to classify commercial tourism developments as industrial infrastructure.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [goa aaar 01 26-3 2018-19 22.03.2019 gtvcl.pdf](#)

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