M/s Indo Autotech Ltd., Plot No. DTA 01/02-03-04, Phase-II, Mahindra World City, Tehsil Sanganer, Jaipur, Rajasthan 302037

Authority for Advance Ruling — Rajasthan

Advance Ruling No. RAJ/AAR/2019-20/15 Dated **08.07.2019**

Q Questions Before the Authority

- Whether M/s Mahindra World City, a developer that has taken the entire land from the State of Rajasthan to further lease out to industrial units (the applicant being one such unit), is liable to charge GST on the lease amount.

F Facts

The applicant bought industrial plots in Mahindra World City, Sanganer, Jaipur, on long-term lease. According to the applicant, the developer charged GST at 18% on the lease premium under HSN 997212. The jurisdictional officer stated that the lessor, Mahindra World City (Jaipur) Ltd., is not a state IDC or undertaking, nor an entity with 50% or more government ownership, though RIICO is a shareholder in it.

H Ruling

The authority gave no ruling. At the personal hearing on 04.07.2019, the applicant's authorised representatives said they needed further clarification on the issues raised and asked to withdraw the application, which the authority accepted. The jurisdictional officer's comments on exemption Entry 41 were recorded but not adopted as a finding.

R Reasoning

The authority found the application admissible under Section 97(2)(b) because it concerned the applicability of a notification and no proceedings were pending. The applicant then withdrew it at the personal hearing, and the authority ruled only that no ruling was given. The jurisdictional officer's comments invoked Entry 41 of Notification No. 12/2017-CT(Rate), read with the TRU clarification dated 30.04.2019, and concluded that the lessor did not fall within the exemption. Those comments are a departmental view, not a decision of the authority.

P Provisions Relied On

Section 97(2)(b) of the CGST/RGST Act, 2017 (applicability of a notification issued under the Act)

Section 99 of the CGST/RGST Act, 2017 (Appellate Authority constitution, referred to in the note)

Section 100 of the CGST/RGST Act, 2017 (appeal within 30 days, referred to in the note)

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Entry 41 of Notification No. 12/2017-CT(Rate), as cited in the jurisdictional officer's comments

TRU letter F. No. 354/27/2019-TRU dated 30.04.2019, as cited in the jurisdictional officer's comments

! For the Practitioner

This order is not authority on whether a developer's lease premium for industrial plots attracts GST, because **no ruling was given** after the applicant withdrew. A practitioner may still note the department's view in the officer's comments that Entry 41 covers only lessors that are state IDCs, undertakings or entities with 50% or more government ownership. The order does not decide whether that reading is correct, and it should be checked against the notification and the TRU clarification themselves.

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 -> raj aar 15 2019-20 indo autotech ltd.pdf

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