M/s Informage Realty Pvt. Ltd., SCO No. 62, 2nd Floor, Civil Lines, Old Judicial Complex, Sector-15, Gurugram (GSTIN 06AADCI3515J1ZQ)

Authority for Advance Ruling — Haryana

ADVANCE RULING NO.HAR/HAAR/R/2018-19/15 (In Application No.: 15/2… Dated **05.10.2018**

Q Questions Before the Authority

- Whether GST is applicable on the booking or selling of plots by the Applicant and the land owners during the development (before completion of the development work) of a residential plotted township and, if so, what the taxable value and applicable tax rate are.
- Whether GST is applicable on the 20% share of licensed plotted area agreed to be provided by the land owners to the Applicant (developer) and, if so, what the taxable value and applicable tax rate are.

F Facts

Three land owners entered into a collaboration arrangement with the Applicant, which is the technical partner, to obtain a licence for and develop a residential plotted colony. The Applicant is to obtain the licence and lay roads, sewerage, storm water and electricity infrastructure, and in return the land owners transfer 20% of the licensed plotted area (residential and commercial) to the Applicant, retaining 80% of their share.

H Ruling

GST on booking or selling of plots by Applicant and land owners during development, before completion of development work	**No GST. Transaction is sale or transfer of land and is not a supply.**	The Authority stated that it is immaterial whether the booking or sale is done before or after completion of the development work.
GST on the 20% share of licensed plotted area transferred by land owners to the Applicant (developer)	**Yes. Taxable as works contract services at 18% GST (9% CGST + 9% HGST).**	The transfer value of the plots is treated as consideration paid by the land owners for the Applicant's development services, and is a service independent of sale of land.

Booking or selling of plots by the Applicant and land owners is a transaction of sale of land and does not attract GST , whether made before or after completion of the development work. The **transfer of the 20% share of plots by the land owners to the Applicant is consideration for works contract services and is taxable at 18%** (9% CGST plus 9% HGST), and the Authority did not accept the Applicant's contention that this was also a non-taxable land transfer.

R Reasoning

The Authority characterised the arrangement as a joint development agreement involving two distinct transactions. For the first, the sale of developed plots, it accepted the Applicant's reading that Section 7 read with

Paragraph 5 of Schedule III of the CGST/HGST Act excludes sale of land from the scope of supply, so no GST arises. For the second, the transfer of 20% of plots to the Applicant, it held that the plots are consideration for works contract services (roads, sewerage, storm water and related development) rendered by the Applicant to the land owners, and therefore a taxable service. It rejected the Applicant's argument, based on the definition of land in Section 3(a) of the Land Acquisition Act, 1894 and the Supreme Court decisions it cited, that this was also a non-taxable transfer of land. Section 98 was invoked for the ruling.

P Provisions Relied On

- Section 97(2)(c) and (e) of CGST/HGST Act, 2017 (as cited in the application)
- Section 98 of CGST/HGST Act, 2017 (under which the ruling is pronounced)
- Section 7 of CGST/SGST Act, 2017 (read with Paragraph 5 of Schedule III)
- Paragraph 5 of Schedule III of CGST/SGST Act, 2017
- Section 3(a) of Land Acquisition Act, 1894 (cited by Applicant, not adopted by Authority)

! For the Practitioner

This ruling is useful for land-owner and developer arrangements in licensed plotted colonies in Haryana, where it confirms that sale of plots is not taxable but that a developer's in-kind share of plots under a development agreement is taxable as works contract services at 18%. It does not decide the valuation mechanism for the land owner's share beyond treating the plot transfer value as consideration, nor does it address later changes to rates or the treatment of affordable residential projects under subsequent notifications. The ruling binds only the Applicant and the transaction described.

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 -> har_aar_15_2018-19_05.10.2018_irpl.pdf

Prepared 25-10-2026.

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