

M/s. Yamuna Expressway Industrial Development Authority

Authority for Advance Ruling — Uttar Pradesh

Order No. 09

Dated 06.06.2018

Q Questions Before the Authority

- whether GST is applicable on upfront amount (called as premium/salami) payable in respect of services by way of granting of long term lease of the thirty years or more for plots catering to public health care such as hospital, nursing home, diagnostic centers etc

F Facts

The applicant is a State Government Industrial Development Authority engaged in granting long-term leases of plots for 30 years or more. It sought clarification on whether upfront premium or salami collected on granting long-term leases for plots dedicated to public healthcare infrastructure, such as hospitals and diagnostic centers, is liable to GST.

H Ruling

Upfront amount (premium/salami) on long-term lease (30+ years) of healthcare/infrastructure plots

Exempted / GST not applicable

Subject to fulfilling all conditions specified under Sl. No. 41 of Notification No. 12/2017-Central Tax (Rate) as amended by Notification No. 32/2017-Central Tax (Rate)

The Authority held that GST is **not applicable (exempted)** on upfront amounts for long-term leases of 30 years or more. This exemption applies strictly provided all conditions specified under **Sl. No. 41 of Notification No. 12/2017-Central Tax (Rate)**, as amended, are fulfilled.

R Reasoning

The ruling relied on a plain reading of Sl. No. 41 of Notification No. 12/2017-Central Tax (Rate), as amended by Notification No. 32/2017-Central Tax (Rate). This entry exempts upfront amounts (premium, salami, cost, development charges) for granting long-term leases of 30 years or more for industrial plots or infrastructure development plots provided by State Government Industrial Development Corporations or Undertakings. Consequently, if the applicant meets all statutory criteria under the entry, the exemption is fully applicable.

P Provisions Relied On

Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 (Sl. No. 41)

Notification No. 32/2017-Central Tax (Rate) dated 13.10.2017



For the Practitioner

This ruling establishes that **upfront lease premium or salami** for long-term leases of 30 years or more granted by State Government industrial undertakings is **exempt from GST**, provided all conditions under Entry 41 are fully satisfied. It reinforces exemption coverage for infrastructure plots including public healthcare facilities.

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 -> up aar 09 06.06.2018 yeida.pdf

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