



भारत सरकार GOVERNMENT OF INDIA  
वित्त मंत्रालय MINISTRY OF FINANCE  
राजस्व विभाग DEPARTMENT OF REVENUE

मुख्य आयुक्त का कार्यालय  
OFFICE OF THE CHIEF COMMISSIONER  
केन्द्रीय कर, केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क  
CENTRAL TAX, CENTRAL EXCISE & CUSTOMS  
तिरुवनंतपुरम क्षेत्र, THIRUVANANTHAPURAM ZONE

केन्द्रीय राजस्व भवन, CENTRAL REVENUE BUILDING  
आई.एस.प्रेस रोड,कोच्चि I.S. PRESS ROAD,KOCHI-682 018

E-mail: [cccchin@nic.in](mailto:cccchin@nic.in)

Fax : 0484-2397614

Ph: 0484-2394100/0404

C.No.IV/16/12/2017-CCO(TVM)

Dated 19.09.2017

To

M/s S.I. Property(Kerala) Pvt. Ltd.  
'Silver Oaks' , Near Golf Club,  
Kowdiar, Trivandrum - 695003

Gentlemen,

**Sub:- Certain Clarifications sought on Construction Services provided in the Real Estate Sector - reg:**

Please refer to your letter dated 29.08.2017 wherein certain clarifications were sought on the Construction Services provided in the Real Estate Sector under the GST taxation regime. The issues raised therein were discussed by the Zonal GST feedback Team and based on the same, the following clarifications are issued.

2. Construction Services fall under the SAC Heading 9954 and as per Sl. No. 3 of the Notification No. 8/2017-Integrated Tax(rate) dtd 28.06.2017, are liable to 18% GST (9% CGST and 9% SGST). Sl. No.(i) of the said SAC covers "Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier". The value of supply of services falling under the said Sl. No. are eligible for one third deemed deduction, on account of Transfer of Land or Undivided Share of land, if the transaction value includes the value of the land transferred as per and as delineated in para 2 of the said Notification. This one third deemed deduction on account of transfer of Land or Undivided Share of land is irrespective of the actual value of the land transferred. However, the said deemed deduction is not available when there is no transfer of land or undivided share of land.

3. Real Estate projects based on Joint Venture Agreements entered into by a Developer and a Land Owner, if otherwise legal and proper as per the governing laws, are also eligible for the deemed deduction as specified in para.2 supra. However the said deemed deduction is not available for units transferred to the Land Owner by the Developer.

4. This letter is issued with the approval of the Joint Commissioner (Expert Team).

Yours faithfully,

  
(G. VIVEKANAND)  
ASSISTANT COMMISSIONER

Copy submitted for kind information:

The Chief Commissioner  
Central Tax, Central Excise & Customs,  
Thiruvananthapuram Zone.