

GST Analysis on Real Estate and Infrastructure

GST

ON

REAL ESTATE



**Organised by - Jaipur Branch of
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GST STUDY ON REAL ESTATE SECTOR

Background

Real estate sector which are going to discuss today covers Estate builders and developers, Land owner promoter , promoter developers and the end user to Housing. Housing which is one of the essential requirements of human therefore the sector is always focussed as one of the **pivotal sector to lead the economy**. As the basic philosophy, the needs of the human are endless therefore the **economic perspective in the sector are also endless**. The real estate industry has some specific features which need to be kept in mind in order to get better understanding of sector:

- Human Basic Need of Shelter.
- Government priority to housing.

GST STUDY ON REAL ESTATE SECTOR

Background

- Pivotal role in economy.
- Huge Job Creator.
- Capital Intensive and importance of finance.
- Highly Regulated due to inherent limitation of the sector.
- Tax matter are always litigative and subject to judicial scan.
- Long Journey to settle down the taxation Provisions.
- Complex accounting.
- Deeming Fictions.
- Litigation and huge stakes in Litigation.
- Change in law in order to suit exchequer Revenue.
- Always prone to departmental search and survey.
- Great area opportunity to professionals.

GST STUDY ON REAL ESTATE SECTOR

Background

The real estate sector is a critical sector of our economy. It has a huge multiplier effect on the economy and therefore, is a big driver of economic growth. It is the **second-largest employment-generating sector** after agriculture. Growing at a rate of about 20% per annum and this sector has been contributing about **5-6% to India's GDP**. Not only does it generate a high level of direct employment, but it also stimulates the demand in over 250 ancillary industries such as cement, steel, paint, brick, building materials, consumer durables and so on. Further In addition, we must not forget the **linkages of the real estate sector with the financial sector**. Any distress in the real estate sector and the developer's inability to pay their dues could have serious repercussions for the financial sector.

GST STUDY ON REAL ESTATE SECTOR

Background

In fact, banks' exposure to the real estate sector (through direct and indirect lending) was 21% of total loans and advances (in 2017-18), while the exposure of the non-banking financial companies (NBFCs) to the real estate sector was 6.6% of the total assets. Given that many of the real estate projects are declared NPAs (non-performing assets), under the National Company Law Tribunal (NCLT) there is a serious threat of real estate woes spreading to the financial sector through defaults. Previously, a Builder is subjected to numerous taxes such as VAT, service tax, entry tax, Octroi, LBT, CVD, SAD, etc. which come under the indirect tax net. The high level of compliances there-under and further the litigation involved therein has made the life of Builders difficult and burdensome. With the introduction of GST, major levies shall be subsumed into a single tax 'GST'

GST STUDY ON REAL ESTATE SECTOR

Need and Investment for individual

Real estate is generally a great investment option. It can generate **ongoing passive income and can be a good long-term investment if the value increases over time**. You may even use it as a part of your overall strategy to begin building wealth.

There's an inherent demand for real estate, whether the land produces a product like coffee or is home to an apartment or retail space; so it will always be a good investment. No matter what kind of business you run, you need land.

GST STUDY ON REAL ESTATE SECTOR

Evolution of Law

- i. Constitutional discussion whether land and building which is subject matter of state can be subjected to VAT or service Tax.
- ii. Detailed discussion in SC Larsen and Turbo Case.
- iii. 01.07.2010 – Levy on Construction Service with abated rate for residential and commercials projects.
- iv. 01.07.2012 - Negative List.
- v. 14.07.2014 - RVAT Act - Composition Scheme for Builders u/s 5 of the Act.

GST STUDY ON REAL ESTATE SECTOR

Evolution of Law

- vi. Issues under erstwhile law: PLC, Maintenance deposit, Documentation and Transfer Charges, Entry Tax , Delay in filing application for Scheme, CENVAT Matters, IT Search on Builders, FOC Material, Villas whether single units, TDR, Internal Road, Reversal of Credit, refund to customers and many more.
- vii. Now new avatar for old litigation in form of GST
- viii. Addressing issues through regulation may lead to reduction in professional opportunity eg CENVAT. But the sector and the thought process of the department is dynamic which will definitely dwell new issues of litigation.

GST STUDY ON REAL ESTATE SECTOR

Evolution of Law

ix. **Still there remain constitutional aspects pending for the sector decided in due course by the Hon'ble courts:**

- How the valuation of Land which is not subject matter of GST can be determined arbitrarily by law @ 1/3 and that also beyond the prescribed method of valuation.
- No residuary rate for the sector, whether the notification is burdened with numerous conditions.
- Rule 42 whether may be applied prospectively or to be applied retrospectively
- And many more.

Relevant Section & Rules under CGST to study Real Estate Sector

- Sec. 2 (31) - Considerations
- Sec. 2(33) - Continuous supply of services
- Sec. 2(47) - Exempt supply
- Sec. 2(52) - Goods
- Sec. 2(102) - Service
- Sec. 2(119) - works contract
- Sec. 7 - Scope of supply
- Sec. 13 – Time of Supply of Service
- Sec. 15 - Value of taxable supply
- Sec. 17 - Apportionment of Credit and Blocked Credit.
- Rule 27-32 - Value of supply of Goods or Services where the consideration is not wholly bin money
- Rule 42 & 43 - Manner of determination of ITC in respect of Input, Input Services & Capital Goods and reversal thereof.

Relevant Notification to Study real estate sector

- **Notification no. 11(CTR) Master notification for GST Rate for services dated 28.06.2017 amended through various amendment as follows:-**
- Notification No. 03/2019 CTR) dated 29.03.2019 (new rate of 1% and 5% introduced for builders)- Updated 11
- Notification No. 04/2019 CTR dated 23.03.2019 (Exemption on TDR on residential apartment)- updated in 12
- Notification No. 05/2019 CTR dated 23.03.2019 (RCM on TDR u/s 9(3))-13
- Notification No. 06/2019 CTR dated 23.03.2019 (Related to TDR)- sec 148
- Notification No. 07/2019 CTR dated 23.03.2019 (RCM u/s 9(4) on purchase from registered person less than 80%)

Relevant Circular and FAQ to Study Real Estate Sector

- ▶ FAQ I - on real estate dated 07.05.2019
- ▶ FAQ II - on real estate dated 14.05.2019
- ▶ Circular No. 137/07/2020 - GST dated 13/04/2020 (Related to advance received by builder later refunded due to flat cancelled)- Address to some extent the the question of Section 34

Definition

2(119) - Works contract - means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning **of any immovable property** wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract.

2(33) - Continuous supply of services - means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, **under a contract**, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify.

Definition

Ongoing Project means a project which **meets all the following conditions**, namely-

(a) commencement certificate in respect of the project, where required to be issued by the competent authority, has been issued on or before 31st March, 2019, and it is certified by any of the following that construction of the project has started on or before 31st March, 2019:-

- (i) An architect registered with the Council of Architecture constituted under the Architects Act, 1972 (20 of 1972); or
- (ii) A chartered engineer registered with the Institution of Engineers (India); or
- (iii) A licensed surveyor of the respective local body of the city or town or village or development or planning authority.

(b) Where commencement certificate in respect of the project, is not required to be issued by the competent authority, it is certified by any of the authorities specified in sub- clause (a) above that construction of the project has started on or before the 31st March, 2019;

Definition

(c) Completion certificate has not been issued or first occupation of the project has not taken place on or before the 31st March, 2019;

(d) Apartments being constructed under the project have been, partly or wholly, booked on or before the 31st March, 2019.

Explanation: - For the purpose of sub- clause (a) and (b) above, construction of a project shall be considered to have started on or before the 31st March, 2019, if the earthwork for site preparation for the project has been completed and excavation for foundation has started on or before the 31st March, 2019.

Definition

REP (Real Estate Projects) shall have the same meaning as assigned to it in in clause (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016).

Section 2 (zn) of RERA 2016 - real estate project" means the development of a building or a building consisting of apartments, or converting an existing building or a part thereof into apartments, or the development of land into plots or apartment, as the case may be, for the purpose of selling all or some of the said apartments or plots or building, as the case may be, and includes the common areas, the development works, all improvements and structures thereon, and all easement, rights and appurtenances belonging thereto.

Definition

RREP (Residential Real Estate Projects) shall mean a REP in which the carpet area of the **commercial apartments is not more than 15%** of the total carpet area of all the apartments in the REP.

Affordable residential apartment shall mean :

(a) a residential apartment in a project which commences on or after 1st April, 2019, or in an ongoing project in respect of which the promoter has not exercised option in the prescribed form to pay central tax on construction of apartments at the rates as specified for item (ie) or (if) against serial number 3, as the case may be, **having carpet area not exceeding 60 sq. mt. in metropolitan cities or 90 sq. mt. in cities or towns other than metropolitan cities and for which the gross amount charged is not more than forty five Lakhs rupees.**

Schedule II

2. Land and Building

(a) any lease, tenancy, easement, licence **to occupy land is a supply of services;**

(b) any lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly, is a supply of services.

5. Supply of services

(a)

(b) 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.

(e) agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act;

Schedule III

[See section 7]

ACTIVITIES OR TRANSACTIONS WHICH **SHALL BE TREATED NEITHER AS A SUPPLY OF GOODS NOR A SUPPLY OF SERVICES**

5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.

Tax Rate as per Notification No. 11(CTR)

S.No.	Category (HSN 9954)	Effective Rate
1	Commercial Project	12% (ITC)
2	Residential Project	
	a) Non-Affordable	5% (No ITC)
	b) Affordable	1% (No ITC)
3	Mixed Project	
	<u>Commercial apartment less than 15% (RREP)</u>	
	a) Commercial	5% (No ITC)
	b) Non- affordable residential	5% (No ITC)
	c)Affordable Residential	1% (No ITC)

Tax Rate as per Notification No. 11(CTR)

S.No.	Category	Effective Rate
	<u>Commercial apartment More than 15% (REP)</u>	
	a) Commercial	12% (Proportionate ITC)
	b) Non affordable residential	5% (No ITC)
	c) Affordable Residential	1% (No ITC)

Condition for availing concessional rate :-

- Tax Shall be paid in cash.
- That credit of input tax charged on goods and services used in supplying the service has not been taken.

- That 80% of value of input and input services used in supplying the service shall be received from registered supplier only.
- Provided also that where value of input and input services received from registered suppliers **during the financial year** falls short of the said threshold of 80%, tax shall be paid by the promoter on value of input and input services comprising such shortfall at the rate of 9% on reverse charge basis via entry no 39 of notification no. 11 (CTR).
- Promoter shall Maintain project wise account of inward supplies from registered and unregistered supplier.
- Calculate tax payments on the shortfall at the end of the financial year and shall submit the same in the prescribed form electronically on the common portal by end of the quarter following the financial year.
- Input Tax Credit not availed shall be reported every month by reporting the same as ineligible credit in GSTR-3B .

Tax Rate as per notification no. 11 (CTR)

S.No.	Category (HSN 9954)	Effective Rate
3-va	Composite supply of works contract other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, of affordable residential apartments , in a project which commences on or after 1st April, 2019, or in an ongoing project in respect of which the promoter has not exercised option to pay central tax on construction of apartments at the rates as specified for item (ie) or (if), as the case may be, in the manner prescribed therein,	12%

Provided that carpet **area of the affordable residential apartments** as specified in the entry in column (3) relating to this item, **is not less than 50 per cent. of the total carpet area** of all the apartments in the project;

Tax Rate as per notification no. 11 (CTR)

Provided also that for the purpose of determining whether the apartments at the time of supply of the service are affordable residential apartments covered by sub- clause (a) of clause (xvi) of paragraph 4 below or not, value of the apartments shall be the value of similar apartments booked nearest to the date of signing of the contract for supply of the service specified in the entry in column (3) relating to this item;

Provided also that in case it finally turns out that the carpet area of the affordable residential apartments booked or sold before or after completion, for which gross amount actually charged was forty five lakhs rupees or less and the actual carpet area was within the limits prescribed in sub- clause (a) of clause (xvi) of paragraph 4 below, was less **than 50% of the total carpet area of all the apartments** in the project, the recipient of the service, that is, the promoter shall be liable to pay such amount of tax on reverse charge basis as is equal to the difference between the tax payable on the service at the applicable rate but for the rate prescribed herein and the tax actually paid at the rate prescribed herein

Tax Rate as per notification no. 11 (CTR)

S.No.	Category (HSN 9972)	Effective Rate
16-I	Services by the Central Government, State Government, Union territory or local authority to governmental authority or government entity, by way of lease of land.	Nil
16-II	Supply of land or undivided share of land by way of lease or sub lease where such supply is a part of composite supply of construction of flats, etc. specified in the entry in column (3), against serial number 3, at item [(i), (ia), (ib), (ic), (id), (ie) and (if)	Nil
16-III	Real estate services other than 16(i) and 16(ii) above	18%

Relevant Rules to Study real estate sector

Rule 42

- No reversal is required for the project which opted new scheme of taxation.
- Reversal is required now, for ongoing projects, commercial projects and commercial portion in REP.
- Reversal is done in the year of CC in proportion to unsold area to total area,
- Reversal will be done by end of financial year in which CC is received through GSTR - 3B and latest by following September. Interest from 1st April following the FY in which CC/ FO is received.
- Project wise calculation.
- **Credit from beginning of project or 01.07.2017 whichever is later, to the date of completion of project is to be taken for calculation.**
- In case of common credit, the same is allocated on reasonable basis in project.
- Transition credit/ Service tax period credit is not there in calculation.

Development Right (TDR)

Entry No. 41A Notification No. 4/2019 (CTR)- Exemption Notification

Service by way of transfer of development rights on or after 1st April, 2019 for construction of residential apartments is exempt, subject to following condition:-

- **Provided that**, Promoter shall be liable to pay tax at the applicable rate, on reverse charge basis, on such proportion of value of development rights, as is attributable to the residential apartments, which remain un-booked on the date of issuance of completion certificate, or first occupation of the project, as the case may be, in the following manner

GST Payable on TDR * $\frac{\text{Carpet area of residential apartments remaining un booked upto the date of CC}}{\text{Total area of the residential apartments in the project.}}$

Total area of the residential apartments in the project.

Development Right (TDR)

Entry No. 41A Notification No. 4/2019 (CTR)

- **provided further** that, Tax payable as above in 1st proviso shall not exceed 1% of the value in case of affordable residential apartments and 5% of the value in case of residential apartments other than affordable residential apartments remaining un- booked **on the date of CC.**
- The liability to pay CGST on the said portion of the development rights calculated as above, shall arise on the date of completion or first occupation of the project, as the case may be, whichever is earlier.

Valuation of Construction Services

Explanation-2A of Notification NO. 3/2019 (CTR) Where a person transfers development right or FSI (including additional FSI) to a promoter against consideration, wholly or partly, in the form of construction of apartments, the **value of construction service** in respect of such apartments shall be deemed to be equal to the Total Amount charged for similar apartments in the project from the independent buyers, other than the person transferring the development right or FSI (including additional FSI), nearest to the date on which such development right or FSI (including additional FSI) is transferred to the promoter, less the value of transfer of land.

Valuation of Development Right(TDR)

Notification no. 04/02019(CTR)

Explanation 1A. Value of supply of service by way of transfer of development rights or FSI by a person to the promoter against consideration in the form of residential or commercial apartments shall be deemed to be equal to the value of similar apartments charged by the promoter from the independent buyers nearest to the date on which such development rights or FSI is transferred to the promoter.

1B. Value of portion of residential or commercial apartments remaining un-booked on the date of issuance of completion certificate or first occupation, as the case may be, shall be deemed to be equal to the value of similar apartments charged by the promoter **nearest to the date of issuance of completion certificate or first occupation, as the case may be.**

Development Right (TDR)

Example for GST on TDR and construction Service

Facts of Example:-

Total no. of residential apartment	12 Flats
Landowner's share	5 Flats
Developers Share	7 Flats
Value of Flat at the time of first booking	1 cr/ Flat
Last booking done near to completion of project	1.2 Cr
Total unsold flat of developer share	3 Flats(25%)

Development Right(TDR)

Calculation:-

Total value of development right	5 Cr.
Tax payable on TDR (but for exemption) - $[5\text{Cr} \times 18\%]$	0.90 Cr
Liability of builder under RCM on un booked flat $[\text{.90 Cr} \times 25\%]$	0.23 Cr
Upper Cap $[1.2 \text{ Cr} \times 3 \text{ Flat} \times 5\%]$	0.18 Cr
The builder has to pay lower of .23 Cr. And .18 Cr	0.18 Cr
Value of construction services provided to land owner $[1\text{Cr} \times 5 \text{ Flat, less:- } 1/3 \text{ land portion}]$	3.33 CR
Tax Payable on construction services $[3.33 \text{ Cr.} \times 18\%]$	0.60 Cr.

Issues, AAR and Judicial Views

Aspect

Whether **Accounting of Income** will lead to taxation. Supposing the Income is booked in different Year and POTR.

Positions

- It is settled principle that tax treatment is independent of accounting treatment. Jurisprudence is settled that accounting treatment is not determining the tax treatment.
- Shoorji Vallabhdas and Co. (46ITR 144 SC)

Issues, AAR and Judicial Views

Aspect

Whether **cost centre accounting** is mandatory for real estate project?

Positions

- Yes in reference to Rule 56(14) and in terms of rate notification 03/2019 dated 29.03.2019.

Issues, AAR and Judicial Views

Aspect

Retention Money of contractors whether leads to failure to pay to the supplier in terms of Rule

Positions

- ▶ The CBEC issues circular in erstwhile service tax regime 122/03/2010 dated 30.04.2010 clarifying payment by book adjustment between associated enterprises will lead to payment as per condition of rule 4(7) of CCR. Further CESTAT Delhi in case of Hindustan Zinc Limited VS CCE Udaipur Final Order Dated 25.10.2017 held for retention money no credit reversal is required.
- ▶ Importance to accounting is also relevant here.

Issues, AAR and Judicial Views

Aspect

Safari Retreats
Private Limited
and Another.

Positions

► In that view of the matter, in our considered opinion the provision of Section 17(5)(d) is to be read down and the narrow restriction as imposed, reading of the provision by the Department, is not required to be accepted, in as much as keeping in mind the language used in (1999) 2 SCC 361 (supra), the very purpose of the credit is to give benefit to the assessee. In that view of the matter, if the assessee is required to pay GST on the rental income arising out of the investment on which he has paid GST, it is required to have the input credit on the GST, which is required to pay under Section 17(5)(d) of the CGST Act- Status SLP is admitted by SC against this order and matter is pending.

Issues, AAR and Judicial Views

Aspect	Positions
Composite Supply V/S Works contract V/S Construction Services	<p>► Works contract the traditional meaning through erstwhile law and meaning in GST is altogether different. Works contract which leads to creation of movable property are composite supply in nature. The same will be decided either goods or services on dominant nature test. However where the works contract which leads to creation immovable property is works contract as per GST law. The same is deemed to be services as per deeming Schedule II and compulsorily the dominant nature test would not apply</p>

Issues, AAR and Judicial Views

Aspect	Positions
Whether Land is included in definition of Services	<ul style="list-style-type: none">▶ In the view of definition and discussion, whether land is included in services or not- It seems definition of services is vast enough and it is anything other the goods is included in its ambit. However by Schedule III the same is excluded from the ambit of supply. Looking harmoniously Land seems first included in definition of service after that sale of land is excluded from the scope of supply

Issues, AAR and Judicial Views

Aspect

In case where the Development rights are supplied by the Landowner to the Promoter, under an area sharing arrangement between 1st July 2017 and 31/3/19, but the allotment of constructed area in an ongoing project is made by the Promoter to the Landowner on or after 1/4/2019, whether the tax liability, if any, is required to be discharged in terms of the Notification No. 4/2018 – CT (R)?

Positions

► Yes. Tax liability on service by way of transfer of development rights prior to 01-04-2019 is required to be discharged in terms of Notification No. 4/2018-CentralTax (Rate) dated 25.01.2018.

Issues, AAR and Judicial Views

Aspect

Land Owner being an individual is not engaged in the business of land relating activities and thus whether the transfer of development rights by an individual to a promoter is liable for GST and whether the same will fall within the scope of "Supply" as defined in Section 7 of CGST / SGST Act, 2017? Position of such a transaction may be clarified in light of amendments recently made.

Positions

► The term business has been assigned a very wide meaning in the CGST Act and it includes any trade, commerce, manufacture, profession, vacation, adventure, or any other similar activity whether or not it is for a pecuniary benefit irrespective of the volume, frequency, continuity or regularity of such activity or transaction. Therefore, the activity of transfer of development rights by a land owner, whether an individual or not, to a promoter is a supply of service subject to GST.

Issues, AAR and Judicial Views

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Aspect

RCM on EDC

Positions

Service tax Clarification

- ▶ *It is clarified that any activity undertaken by Government or a local authority against a consideration constitutes a service and the amount charged for performing such activities is liable to Service Tax. It is immaterial whether such activities are undertaken as a statutory or mandatory requirement under the law and irrespective of whether the amount charged for such service is laid down in a statute or not. As long as the payment is made (or fee charged) for getting a service in return (i.e., as a quid pro quo for the service received), it has to be regarded as a consideration for that service and taxable irrespective of, by what name such payment is called. It is also clarified that Service Tax is leviable on any payment, in lieu of any permission or license granted by the Government or a local authority*

Issues, AAR and Judicial Views

Aspect

FOC material to contractors.

Positions

Exchange treated as supply and leviable to GST. Drafting of agreement found relevance.

Issues, AAR and Judicial Views

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Aspect

Bengal peerless housing development company limited-**AAR West Bengal**

Positions

Here AAR concluded the same being composite in nature and naturally bundled with principal supply.

Grounds of Department before AAAR

- 1) Application for PLS and not form car parking.
- 2) giving deduction in rate for PLC will be cost dear to exchequer.

After July 2012, negative list regime the matter is examined in Logix Infrastructure P Limited and settled as bundled services.

Inspite in the ruling, the AAAR held that PLC is Composite supply and bundled. But being it at the choice of the buyer therefore not naturally bundled. Further in case the assessee is also collecting the tax @ 18% on PLC.

Arguments :-Beyond the principles for naturally bundled in ordinary course of business, The meaning to be derived from Indian and Outside India Jurisprudence.

Issues, AAR and Judicial Views

► Maarq Spaces Private Limited- AAR Karnataka

Issue

The issue to be decided in this appeal is whether the activity of development and sale of land by the Appellant is liable to tax under GST ?

Law position

The liability to GST arises when there is a supply of either goods or services or both.

According to section 7 of CGST Act, 2017 the expression “supply” includes all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business, and includes activities specified in Schedule II to the CGST Act, 2017.

However, as per entry 5 of Schedule III, the Activity of sale of land has been treated as neither a supply of goods nor a supply of service.

Issues, AAR and Judicial Views

► Maarq Spaces Private Limited- AAR Karnataka

Assessee contention

It is the contention of the Appellant that they are primarily engaged in the sale of land which has been developed by them and the development activity is incidental to the sale of land and hence they are not liable to GST in terms of the Schedule III of the CGST Act.

In real estate transactions involving plotted development, one party owns the land and another party has the expertise to develop the land. The two parties come together with the common intention of developing the land and sharing the revenue accruing for the sale of the developed plots in the land.

Issues, AAR and Judicial Views

However, the landowners give the rights of using the land to the developer in exchange for which, the developer gives the service of developing the land of the owners. While the Joint Development agreement is entered into for the two parties to jointly reap the benefits of the sale of the land to customers, there is a clear rendering of a service by the developer to the landowner in developing the land which belongs to the landowner.

Decision

Therefore, we hold that the activity of developing the land is a supply of service by the Appellant.

Arguments

- 1) The parties had never agreed for supply of goods or service between them, rather it is agreed to contribute mutually in the form of land and development work by each other and share the revenues out of sale of developed plots to the prospective customers.

Issues, AAR and Judicial Views

- ▶ *Civic amenities work done by land developer, subsequent to transfer of same to the local authority, there is no transfer of property in goods to the site purchasers either collectively or individually.*
- ▶ *Privity of Contract.*
- ▶ *Sir Ganga Ram Hospital- CESTAT – New Delhi – Discussion for revenue sharing model in health care services.*

