



**RAJASTHAN AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX**

**KAR BHAWAN, AMBEDKAR CIRCLE, NEAR  
RAJASTHAN HIGH COURT  
JAIPUR – 302005 (RAJASTHAN)**



**ADVANCE RULING NO. RAJ/AAR/2020-21/09**

J.P.Meena Additional Commissioner	:	Member (Central Tax)
Hemant Jain Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s Trucity Developers LLP, E-44, Lal Bhadur Nagar, Ramjipura, JLN Marg, Jaipur-302017
GSTIN of the applicant	:	08AAPFT0275M1ZK
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	d. admissibility of input tax credit of tax paid or deemed to have been paid e. Determination of the liability to pay tax on any goods or services or both;
Date of Personal Hearing	:	Not Applicable
Present for the applicant	:	Not Applicable
Date of Ruling	:	24.08.2020

**Note:** Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.



At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".

- The issue raised by M/s Trucity Developers LLP, E-44, Lal Bhadur Nagar, Ramjipura, JLN Marg, Jaipur-302017 (hereinafter the applicant) to pronounce advance ruling under the ambit of the Section 97(2) (d) and (e) given as under: -
  - d. admissibility of input tax credit of tax paid or deemed to have been paid;
  - e. determination of the liability to pay tax on any goods or services or both;
- Further, the applicant being a registered person (GSTIN 08AAPFT0275M1ZK), as per the declaration given by him in Form ARA-01) the issue raised by the applicant is neither pending for proceedings nor proceedings were passed by any authority.

**A. SUBMISSION AND INTERPRETATION OF THE APPLICANT:**

- (1) Trucity Developers LLP (LLP No. AAP-1100), a limited liability partnership firm, duly incorporated under the provisions of Limited Liability Partnership Act, 2008 and having its registered office at E-44, Lal Bahadur Nagar, Ramjipura, JLN Marg, Jaipur, Rajasthan (PAN No. AAPFT0275M). Trucity had purchased an agriculture land having total area 10.0 Hectare at Village-Narsinghpura, Tehsil Sanganer, Jaipur (Rajasthan) in the year 2019.

The LLP was incorporated on 29.04.2019 to carry on the objectives of business to deal in immovable properties such as immovable properties such as land and buildings or otherwise and to provide





construction and infrastructure activities and maintaining various residential, commercial and industrial parks and to purchase, acquire, take or give on lease or in exchange or in other lawful manner in India or abroad any area land, plots, buildings, structures, factories, farm houses and estates, real estates or interest therein and any rights over or connected with them and to develop the same for sale on installments or otherwise, or for any other purpose by preparing buildings sites and by constructing, altering, improving, developing, promoting affordable group housing flats and to equip them or any part thereof with all amenities or conveniences thereon and by consolidating or connecting or subdividing properties and leasing or disposing of the same and to manage such land and buildings and to carry on the business of sub-contractors of government, semi-government etc. and to carry on the business of builders, housing developers, infrastructure developers, contractors, constructors, developers, colonizers, and for these purposes to purchase, take on lease or otherwise acquire and hold any land or building or properties for developing, operating and/ or maintaining the same in any manner and to join with any other person, firms or companies in doing any of those business and infrastructure facility, to undertake project of environment and waste management to real the develop property and erect, build, construct, alter, amend enlarge, extend, remove, pull down, "tejalace, repair, improve, develop, control, maintain, operate, and manage any buildings, offices, godowns, warehouse, factories etc.;

(2) that the latest partners of LLP as per the LLP agreement dated 30.05.2019 are as follows:

- (1) KGK constructions LLP
- (2) Mukesh Jain
- (3) Puneet Jain
- (4) Vimal Chand Surana

(3) that the salient features of the LLP agreement are enumerated below:



- (a) Trucity developers LLP was incorporated on 29.04.2019 with two partners, KGK construction LLP and Mr. Mukesh Jain with total contribution of Rs. 1 lakh
- (b) The LLP shall be at will
- (c) The main objective of LLP shall be to deal in immovable properties and real estate
- (d) No remuneration shall be payable to LLP partners irrespective of time devoted.
- (e) A supplementary LLP agreement was executed on 10.05.2019 whereby 2 new partners were inducted and one existing partner had resigned as designated partner
- (f) The present partners and their share are as follows:
  - (i) KGK constructions LLP 69.75%
  - (ii) Mukesh Jain 0.25%
  - (iii) Puneet Jain 20.00%
  - (iv) Vimal Chand Surana 10.00%

The copy of LLP agreement including supplementary agreement is at ***Exhibit -B;***

- (4) that the appellant is a legal owner of 15 Khasras of land in village Narsingpura, Sanganer, Jaipur. It applied for conversion of land use from agriculture to residential / commercial use to Jaipur Development Authority (JDA) on 23.10.2019 and the same was done *vide* order No. LU2012/JDA/2019-20 /100349;
- (5) that the total land involved measures 10 hectares on which it has proposed to develop a township project. The project development would involve development of plots (not construction) comprising of boundary walls, internal roads for movement in township along with other facilities such as common park, entry & exit gate, grid substation, Electrification, Road Lights, Block Boundaries, Project Boundaries and required facilities for Commercial and Residential township;

(6) that the land use is proposed to be as follows:



S.No.	LAND USED	AREA	(%)
1	Residential Area	43944.03	43.94%
2	Retail Commercial	1032.90	10.32%
3	EWS/LIG	4394.72	4.34%
	<b>TOTAL AREA FOR</b>	<b>49371.65</b>	<b>49.37%</b>
4	Park	5000	5.0%
5	Facility	10000	10.0%
6	Road	35557.01	35.56%
7	Future Extension	71.34	0.071%
	<b>TOTAL AREA</b>	<b>100000</b>	<b>100%</b>

(7) that the consideration for supply of plots to prospective buyer is estimated as follows:

Details	Amount (Rs.)
Residential	42,04,21,285
Commercial	1,23,52,450
Retail Commercial	5,25,56,453
<b>TOTAL</b>	<b>48,53,30,188</b>

(8) that the project development would involve various activities as above to be carried out by various contractors under different job / works contract and the same may be liable to levy of GST under section 7, 8 and 9 read with section 2(119) of CGST Act, 2017. Such contractors services shall therefore, be input / input services for the applicant;





- (9) that the supply of land (plots) by the applicant to buyers is understood to be non taxable supply in terms of section 7 read with clause 5 of schedule III where transfer of land is specifically excluded from the scope of supply;
- (10) that after the conversion of land use by JDA, the allottee will be absolute owner of land on issuance of Patta from JDA;
- (11) that the sample copy of JDA patta / allotment letter and draft buyers agreement are annexed as **Exhibit-C** respectively;
- (12) that as per the buyers agreement, the consideration for sale of land will flow from buyer to the developer in the following form:-

1.	On Map Approval	25%
2.	After 2 Months	25%
3.	After 4 Months	25%
4.	After 6 Months or at the time of Possession whichever is earlier	25%

### **B. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT**

- Q.1 Whether the sale of plots, commercial or residential by the developer applicant to the buyers shall be considered as taxable supply of goods or service under section 7 of CGST Act, 2017 read with clause No. 5 of schedule III ?
- Q.2 In the event of ruling on Question 1 above is affirmative, what shall be the appropriate classification / HSN code / SAC Code for sale of land (plots) and applicable rate of GST.
- Q.3 In case the sale of plots is ruled to be a taxable supply, whether the developer applicant shall be eligible for availing input tax credit in terms of section 16 to 18 of CGST Act, 2017.


**C. WITHDRAWAL OF APPLICATION**

On behalf of the applicant, authorized signatory, submitted a letter dated 05.08.2020 addressed to this authority which was received in this office on 11.08.2020, requesting to withdraw their application without any personal hearing.


**D. FINDINGS, ANALYSIS & CONCLUSION:**

We observed that, authorized signatory of the applicant, vide letter dated 05.08.2020 addressed to this authority which was received in this office on 11.08.2020, has requested to withdraw their application without any personal hearing.

Accordingly, their request to withdraw the application is considered.

  
J.P. MEENA  
Member  
(Central Tax)  
24/8/2020



  
HEMANT JAIN  
Member  
(State Tax)  
24/8/2020

**SPEED POST**

✓ M/s Trucity Developers LLP,  
E-44, Lal Bhadur Nagar,  
Ramjipura, JLN Marg,  
Jaipur-302017 (Raj)

F.No. AAR/Trucity /2020-21/73

Dated: 25/08/2020

Copy to: -

1. The Chief Commissioner, Central Tax, CGST and Central Excise, (Jaipur Zone), NCRB, Statue Circle, Jaipur, Rajasthan 302005.
2. The Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
3. The Commissioner, Central Tax, CGST and Central Excise Jaipur Commissionerate, NCRB, Statue Circle, Jaipur, Rajasthan 302005.
4. The Assistant Commissioner, Central Tax, CGST Division- E, Sector 10, Vidhyadhar Nagar, Jaipur-302039, Rajasthan.