



**Government of Goa
Department of Commercial Taxes
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Dated: 02nd May, 2019

CIRCULAR

(No. 07 / 2019-20 - GST)

Subject: GST exemption on the upfront amount payable in for long term lease of plots, under Notification 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30/06/2017, at S. No.41 -reg.

Representations have been received seeking clarification regarding admissibility of GST exemption on the upfront amount which is determined upfront but is paid or payable in instalments for long term (thirty years, or more) lease of industrial plots or plots for development of financial infrastructure under Notification 38/1/2017-Fin(R&C)(12/2017-Rate) dated 30/06/2017 published in Extraordinary Official Gazette No. 3, Series I no. 13 dated 30/06/2017, at S. No.41 dated 30.06.2017 (hereinafter referred to as the “said notification”).

2. The matter has been examined. The entry at S. No.41 of the said Notification, reads as under:

Sl. No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)




41	Heading 9972	“Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50 per cent. or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area.”	NIL	NIL
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3. It is hereby clarified that GST exemption on the upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business under Entry No. 41 of Exemption Notification, is admissible irrespective of whether such upfront amount is payable or paid in one or more instalments, provided the amount is determined upfront.

4. Difficulty if any, in implementation of this Circular may be brought to notice of the undersigned.




(Dipak M. Bandekar)
Commissioner of State Tax, Goa

Note: Similar circular is issued under Central Goods and Services Tax Act, 2017 by the Tax Research Unit, Department of Revenue, Ministry of Finance, GOI, New Delhi vide Circular No. 101/20/2019-GST dated 30/04/2019.