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:

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Chapter, Section, Heading, Group or Service Code (Tariff)</th>
<th>Description of Services</th>
<th>Rate (per cent.)</th>
<th>Condition</th>
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<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
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Commissioner of Commercial Taxes
Govt. of Goa, Panaji-Goa
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.

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.