

GST – Changes for Real Estate Sector

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MCHI**

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Areas to looked into

Changes in rates for residential units

One-time option to select old or new rates for ongoing projects

New definition of affordable housing

New rules for mix projects

ITC restriction along with new rates

80% mandatory purchases from registered person

ITC transition policy for ongoing projects

Changes in taxing policy for TDR/ FSI/ Long lease premium

Applicability of URD RCM and mandatory RCM for the sector in specified cases

Framework

Affordable Residential Apartment

Calculation of INR 45 lakhs

Project

Mix Projects – RREP/ REP

Ongoing Project and New Project

Rates prescribed

Rates

Nature of Project/ Unit	New	Ongoing
RREP		
Affordable units	1	1
Other-residential units	5	5
Commercial units	5	5
REP		
Affordable units	1	1
Other-residential units	5	5
Commercial units	12* (with ITC)	12* (with ITC)

* Please note that in a REP the commercial units will be charged at effective rate of 12% with proportionate ITC eligibility

Framework

Mandatory Purchases

Components

Cement/ Capital Goods

Rates and timing of payment

WCT Contractor for Affordable Project

Thank you

Disclaimer:

- My comments are based on GST Act assented on 12th April 2017 and various updates (available in public domain)
- This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. On any specific matter, reference should be made to our appropriate advisor.
- This presentation is prepared for MCHI Seminar dated 9th April 2019 only

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