



The Institute of Chartered Accountants of India

GST & Indirect Taxes Committee ICAI

GST implications in Real Estate Sector (REP & RREP)

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OVERVIEW

Fundamentals – Relevant legal provisions

- Constitutional reference
- Definition under GST
- Scope of supply – Schedule references
- Transition provision from VAT / Service Tax to GST

Taxability for Real Estate projects w.e.f. 1st April 2019

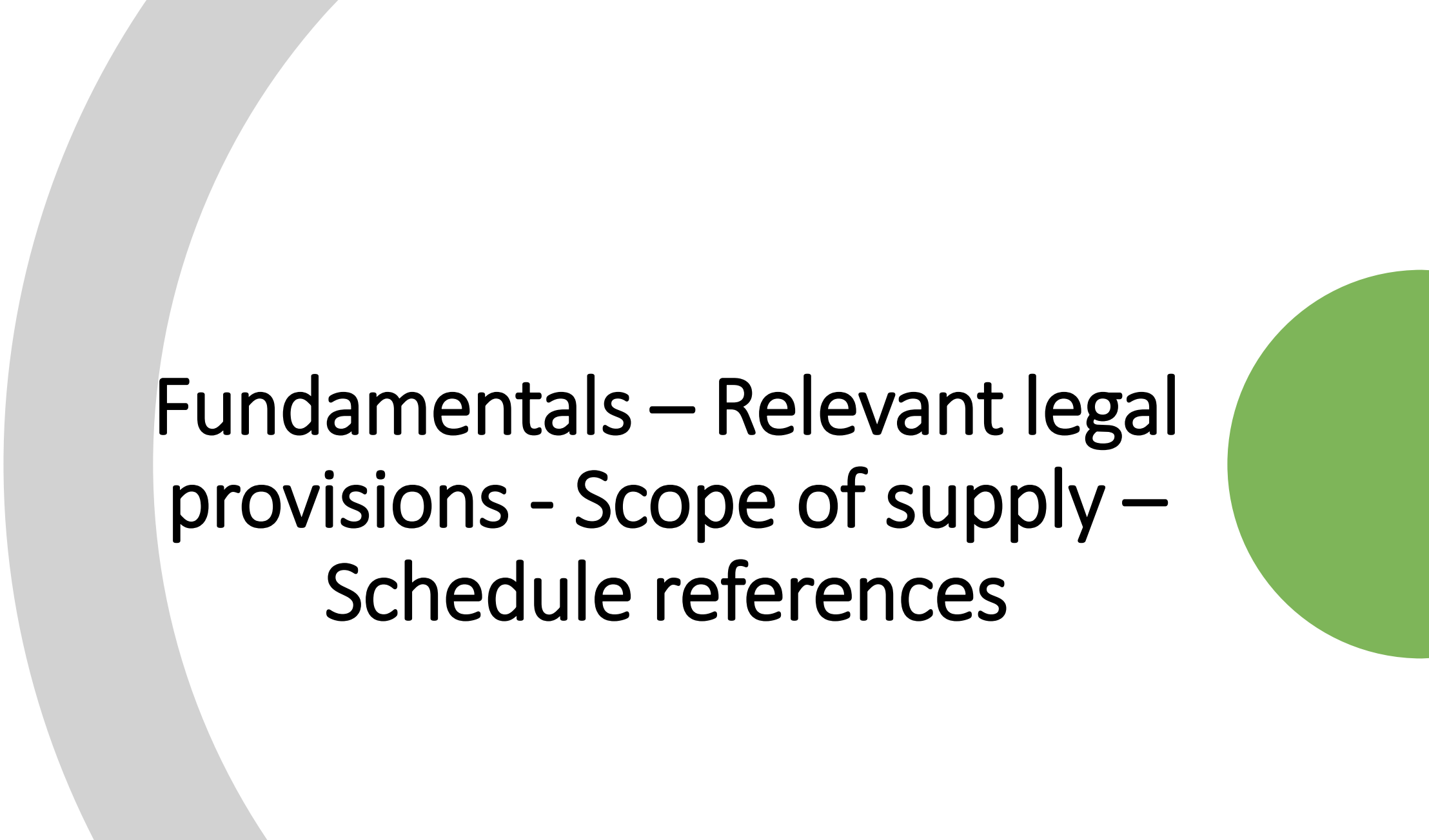
- Notification No. 03/2019 dt 29.03.2019 - Key definitions from RERA
- Taxability - REP vs RREP – Affordable vs Others – Residential vs Commercial
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Joint Venture Development


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- Multiple GST responsibilities of Promoter/Builder/Developer

Others

- Valuation and Time of supply
- Common issues and case decisions



Fundamentals – Relevant legal
provisions - Scope of supply –
Schedule references



Constitutional reference - Article 366(29A)

Article 366(29A) "tax on the sale or purchase of goods" includes--

(a) a tax on the transfer, otherwise than in pursuance of a contract, of property in any goods for cash, deferred payment or other valuable consideration;

(b) a tax on the transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract;

(c) a tax on the delivery of goods on hire-purchase or any system of payment by installments;

(d) a tax on the **transfer of the right to use** any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration;

(e) a tax on the supply of goods by any unincorporated association or body of persons to a member thereof for cash, deferred payment or other valuable consideration;

(f) a tax on the supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (whether or not intoxicating), where such supply or service, is for cash, deferred payment or other valuable consideration, and such transfer, delivery or supply of any goods shall be deemed to be a sale of those goods by the person making the transfer, delivery or supply and a purchase of those goods by the person to whom such transfer, delivery or supply is made;

Definition of “WORKS CONTRACT” in GST

Section 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;*

SCHEDULE II – WORKS CONTRACT is Composite Supply of Services

SCHEDULE II - ACTIVITIES OR TRANSACTIONS TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES

6. Composite supply - *The following composite supplies shall be treated as a supply of services, namely:-*

(a) works contract as defined in clause (119) of section 2;

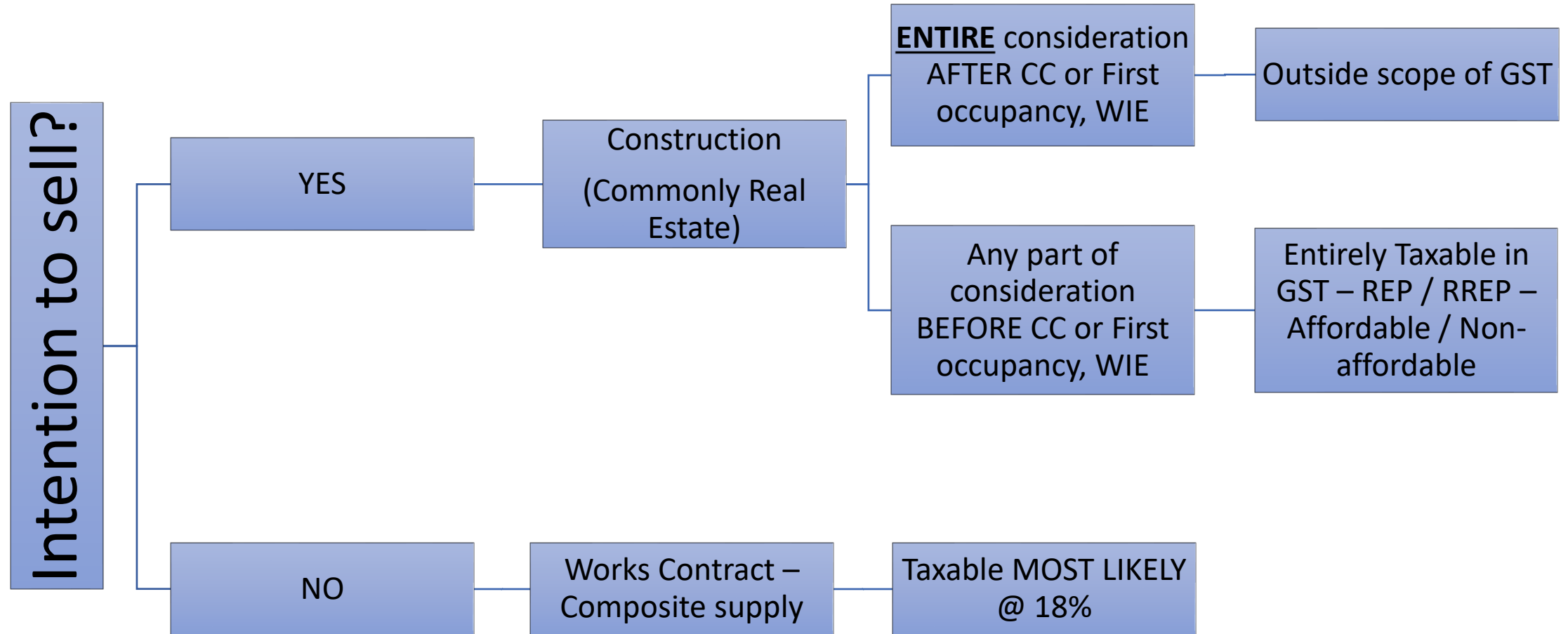
SCHEDULE II – Construction to be treated as Supply of Services

SCHEDULE II - ACTIVITIES OR TRANSACTIONS TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES

*5. **Supply of services:** The following shall be treated as supply of services, namely:-*

- *(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.

Works Contract VS Construction - INTENTION TO SELL?



SCHEDULE II – Construction to be treated as Supply of Services - EXPLANATION

Explanation -For the purposes of this clause-

(1) the expression "competent authority" means the Government or any authority authorised to issue completion certificate under any law for the time being in force and in case of non-requirement of such certificate from such authority, from any of the following, namely:-

- (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;

(2) the expression "construction" includes additions, alterations, replacements or remodelling of any existing civil structure;

Completion Certificate & First Occupancy – Practical Perspectives!

Completion certificate not applicable when RERA not applicable for the project.

In such cases, First Occupancy can be established:

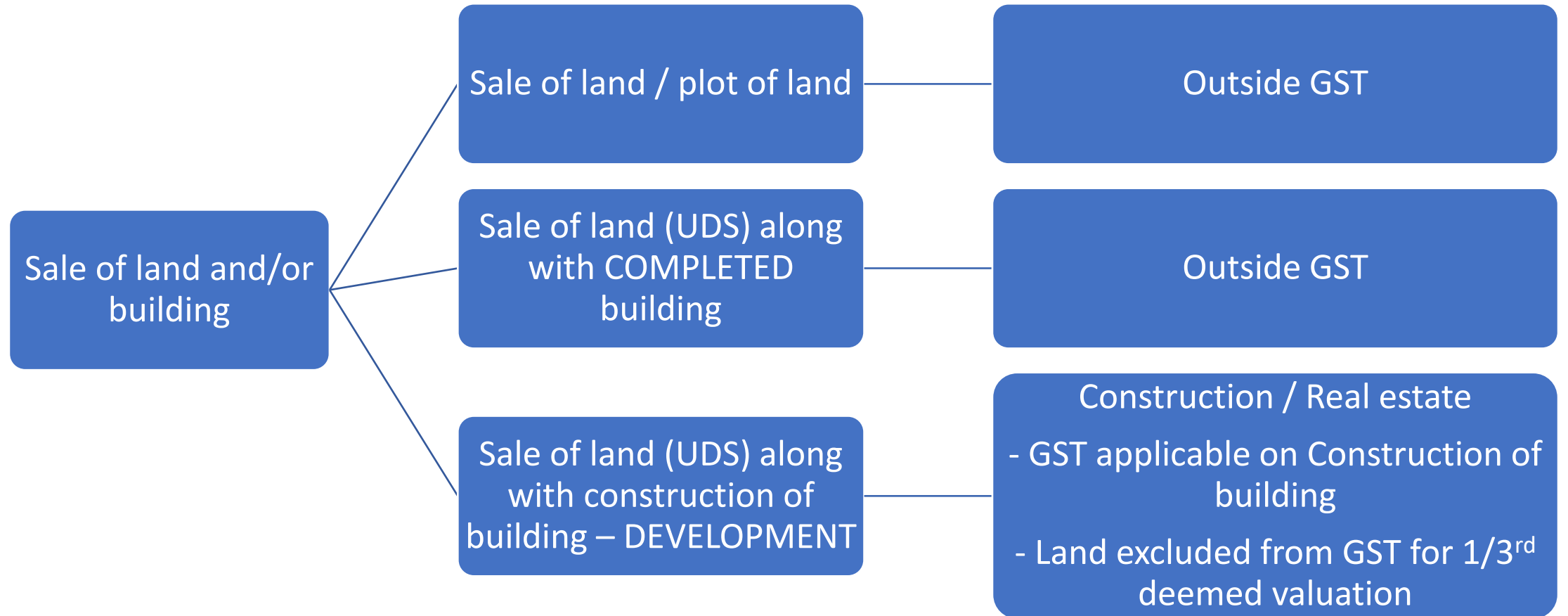
- Differs from state to state
- Electricity connection – Connection / No objection / Conversion from Commercial to Residential
- Water connection
- Drainage connection
- Documents from Corporation / Municipality / Panchayat

SCHEDULE III – Sale of Land and Completed Building – Outside scope of GST

SCHEDULE III - 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.*

Sale of land and, subject to Schedule II-5(b), Sale of building – A Broad Overview



Transition Provision for WORKS CONTRACT

Applicable for Projects commenced before GST and continued & completed after GST introduction – Whole Project taxable under GST!

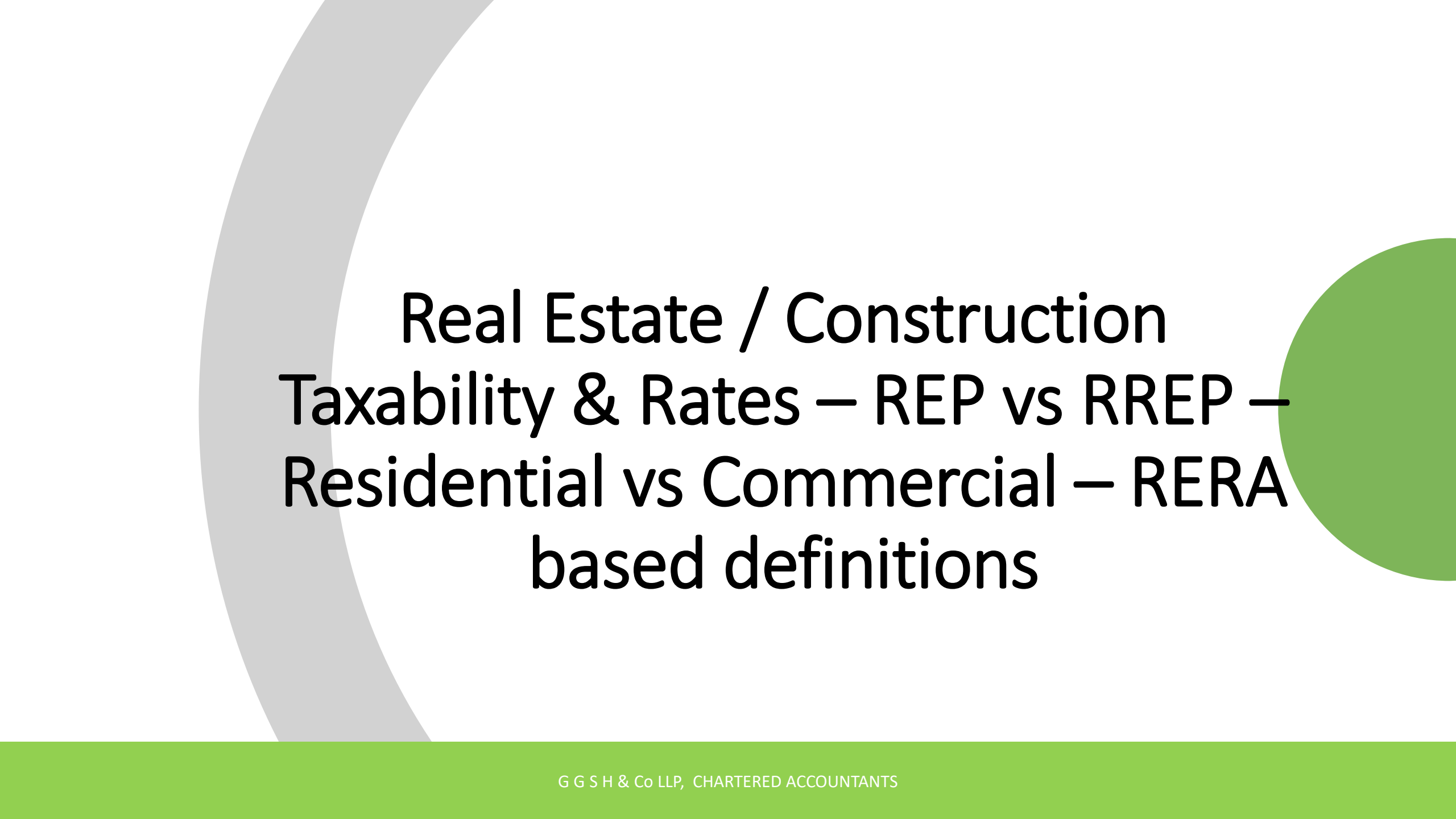
Section 142. Miscellaneous transitional provisions:

*(11) (c) where tax was paid on any supply **both** under the Value Added Tax Act and under Chapter V of the Finance Act, 1994 (32 of 1994),*

- ***tax shall be leviable under this Act***
- *and the taxable person shall be **entitled to take credit** of value added tax or service tax paid under the **existing law***
- *to the extent of supplies made after the appointed day*
- *and such credit shall be calculated in such manner as may be prescribed.*

Last opportunity: Re-opening of Transition credit from 01.10.2022 till 30.11.2022 pursuant to Supreme Court order dated 22.07.2022 in the case of M/s. Filco Trade Centre Pvt. Ltd., SLP(C) No. 32709-32710/2018.

Legal dispute: Whether 142(11)(c) can be a charging section for pre-GST transactions?!



Real Estate / Construction Taxability & Rates – REP vs RREP – Residential vs Commercial – RERA based definitions

Real Estate Taxability – Key definitions from RERA

(Notification No. 03/2019-CT (Rate) dated 29th March 2019
w.e.f. 1st April 2019)

Term	Explanation in Nfn 3/2019	RERA definition provision	Definition
Apartment	(xiv)	2(e)	“apartment” whether called block, chamber, dwelling unit, flat, office, showroom, shop, godown, premises, suit, tenement, unit or by any other name, means a separate and self-contained part of any immovable property, including one or more rooms or enclosed spaces, located on one or more floors or any part thereof, in a building or on a plot of land, used or intended to be used for any residential or commercial use such as residence, office, shop, showroom or godown or for carrying on any business, occupation, profession or trade, or for any other type of use ancillary to the purpose specified;
Residential Apartment	(xxix)		an apartment <u>intended for residential use as declared</u> to the Real Estate Regulatory Authority or to competent authority ;
Commercial Apartment	(xxx)		an apartment other than a residential apartment

Real Estate Taxability – Key definitions from RERA

(Notification No. 03/2019-CT (Rate) dated 29th March 2019
w.e.f. 1st April 2019)

Term	Explanation in Nfn 3/2019	RERA definition provision	Definition
Real Estate Regulatory Authority	(xxvii)	20(1)	
Competent Authority	(xxv)		the term "competent authority" as mentioned in definition of "commencement certificate" and "residential apartment" , means the local authority or any authority created or established under any law for the time being in force by the Central Government or State Government or Union Territory Government, which exercises authority over land under its jurisdiction, and has powers to give permission for development of such immovable property;
Promoter	(xvii)	2(zk)	

Real Estate Taxability – Key definitions from RERA

(Notification No. 03/2019-CT (Rate) dated 29th March 2019
w.e.f. 1st April 2019)

Sec 2(zk) of RERA - “**promoter**” means,—

- (i) a person who **constructs or causes to be constructed** an **independent building or a building consisting of apartments**, or converts an existing building or a part thereof into apartments, for the **purpose of selling** all or some of the apartments to other persons and includes his assignees; or
- (ii) a person who **develops land into a project, whether or not the person also constructs structures** on any of the plots, for the **purpose of selling** to other persons all or some of the plots in the said project, whether with or without structures thereon; or
- (iii) any development authority or any other public body in respect of allottees of—
 - (a) buildings or apartments, as the case may be, constructed by such authority or body on lands owned by them or placed at their disposal by the Government; or
 - (b) plots owned by such authority or body or placed at their disposal by the Government, for the purpose of selling all or some of the apartments or plots; or
- (iv) an apex State level co-operative housing finance society and a primary co-operative housing society which constructs apartments or buildings for its Members or in respect of the allottees of such apartments or buildings; or
- (v) any other person **who acts himself as a builder, coloniser**, contractor, developer, estate developer or by any other name or claims to be acting as the **holder of a power of attorney from the owner of the land** on which the building or apartment is constructed or plot is **developed for sale**; or
- (vi) such other person who constructs any building or apartment for sale to the general public.

Explanation.—For the purposes of this clause, where the person who **constructs** or converts a building into apartments or **develops** a plot for sale and the person who sells apartments or plots are **different person, both of them shall be deemed to be the promoters** and shall be **jointly liable** as such for the functions and responsibilities specified under this Act or the rules and regulations made thereunder;

Real Estate Taxability – Key definitions from RERA

(Notification No. 03/2019-CT (Rate) dated 29th March 2019
w.e.f. 1st April 2019)

Term	Explanation in Nfn 3/2019	RERA definition provision	Definition
Project	(xv)		REP or RREP
Real Estate Project (REP)	(xviii)	2(zn)	“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 apartments, 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;
Residential Real Estate Project (RREP)	(xix)		a REP in which carpet area of the commercial apartments is not more than 15 % of the total carpet area of all the apartments in the REP

Real Estate Taxability – Key definitions from RERA

(Notification No. 03/2019-CT (Rate) dated 29th March 2019
w.e.f. 1st April 2019)

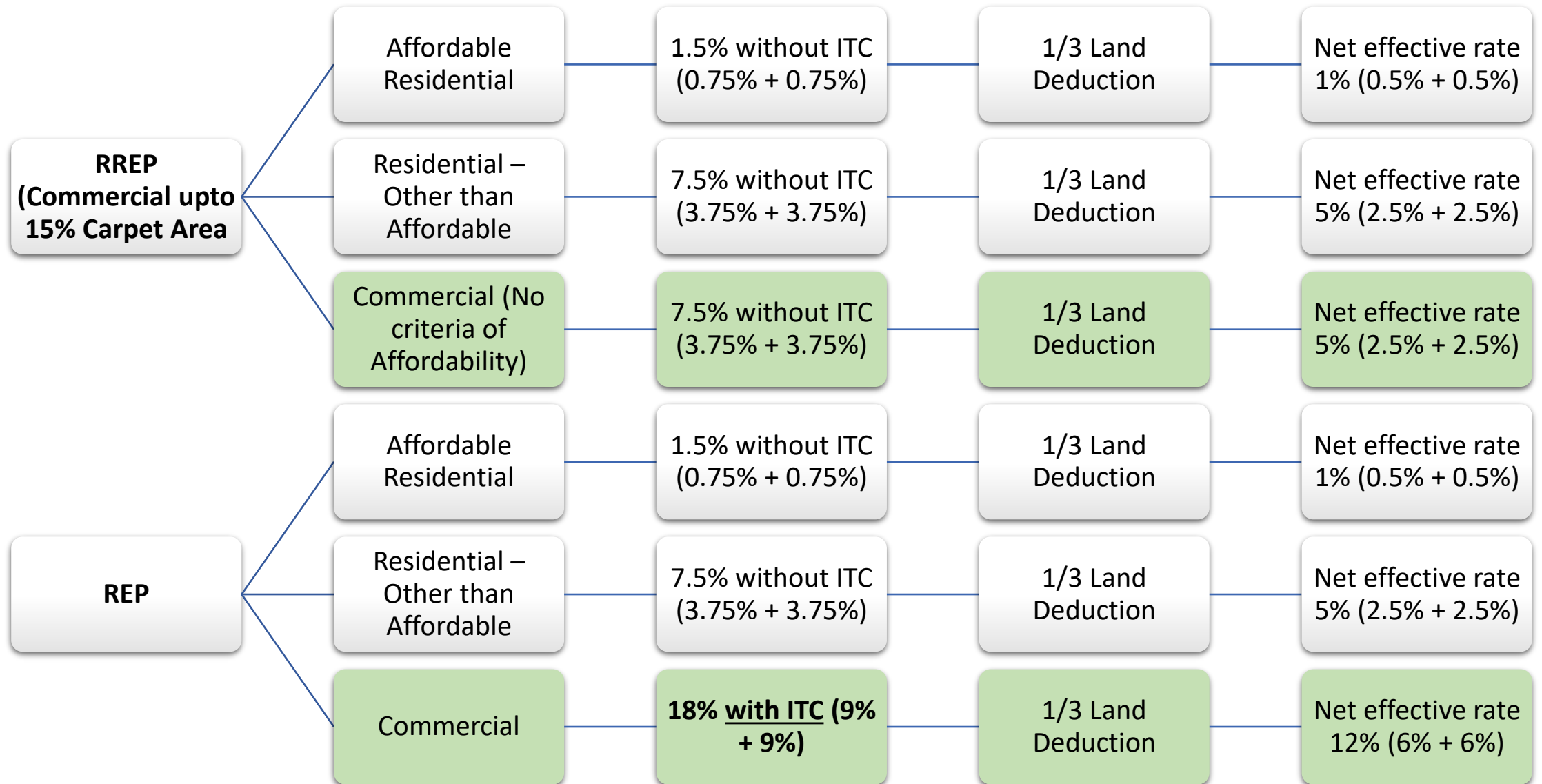
Term	Explanation in Nfn 3/2019	RERA definition provision	Definition
Carpet Area	(xxvi)	2(k)	<p>“carpet area” means the net usable floor area of an apartment, <u>excluding</u> the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, <u>but includes</u> the area covered by the internal partition walls of the apartment.</p> <p>Explanation.— For the purpose of this clause, the expression “exclusive balcony or verandah area” means the area of the balcony or verandah, as the case may be, which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee; and “exclusive open terrace area” means the area of open terrace which is appurtenant to the net usable floor area of an apartment, meant for the exclusive use of the allottee;</p>
Floor Space Index (FSI)	(xxxii)		the ratio of a building’s total floor area (gross floor area) to the size of the piece of land upon which it is built.

Real Estate Taxability – Key definitions from RERA

(Notification No. 03/2019-CT (Rate) dated 29th March 2019
w.e.f. 1st April 2019)

Term	Explanation in Nfn 3/2019	Definition
<u>AFFORDABLE</u> Residential Apartment	(xvi)	<p>(a) a <u>residential apartment</u></p> <ul style="list-style-type: none"> ➤ <u>carpet area</u> not exceeding 60 sq.m. (645.84 sq ft.) in metropolitan cities or 90 sq.m. (968.75 sq ft.) in cities or towns other than metropolitan cities <u>and</u> ➤ for which the <u>gross amount charged is not more than forty five lakhs</u> rupees. <p>For the purpose of this clause, -</p> <p>(i) <u>Metropolitan cities</u> - Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata & Mumbai (whole of MMR)</p> <p>(ii) <u>Gross amount</u> shall be the sum total of; -</p> <ul style="list-style-type: none"> A. Consideration charged for the <u>services</u> specified at item (i) and (ic) in column (3) against sl. No. 3 in the Table; B. Amount charged for the <u>transfer of land</u> or undivided share of land, as the case may be including by way of lease or sub lease; and C. <u>Any other amount charged</u> by the promoter from the buyer of the apartment including preferential location charges, development charges, parking charges, common facility charges etc.

Taxability and Rates – REP & RREP

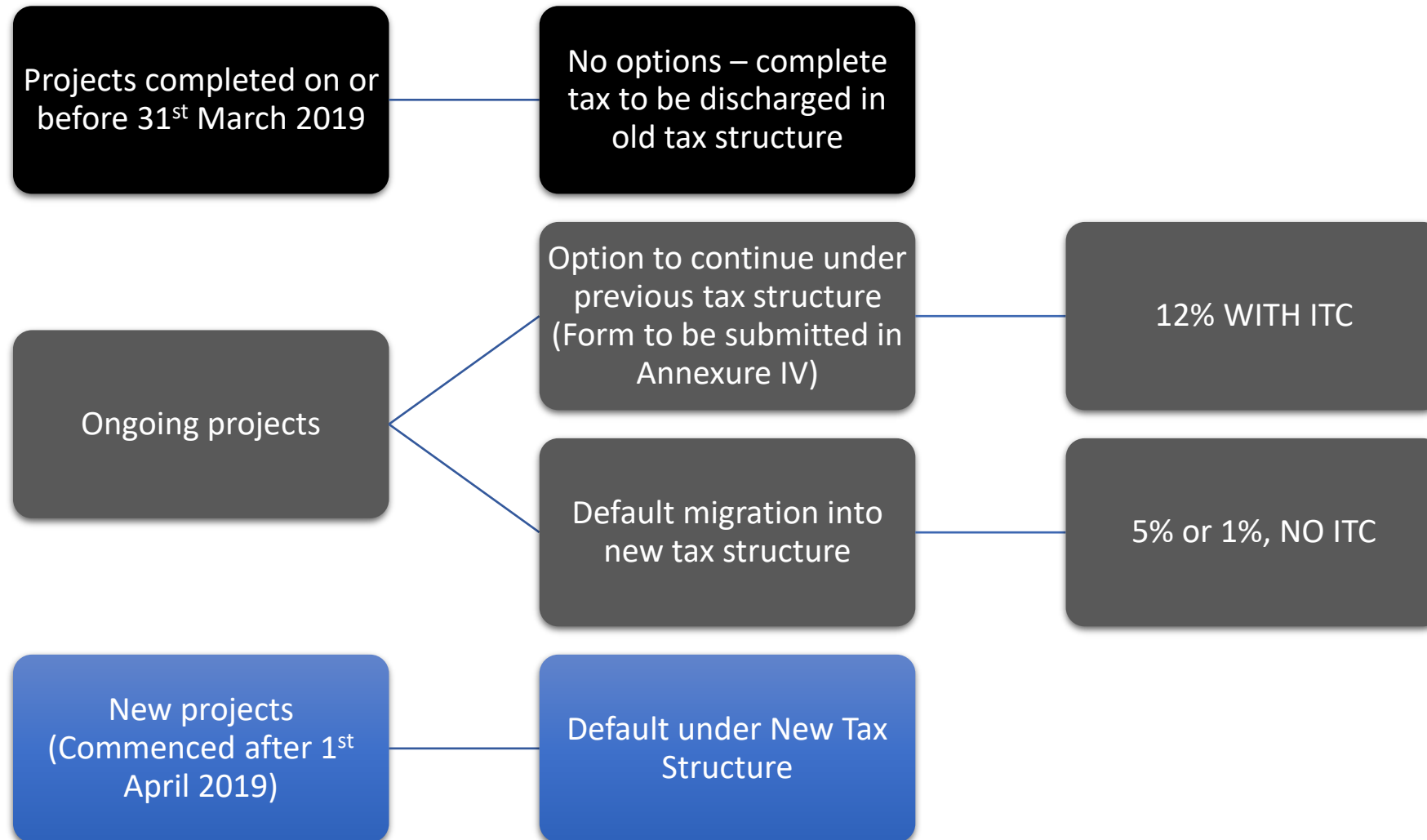


Option of Tax Structure for ONGOING PROJECTS

Transition w.e.f. 1st Apr 19

- Applicable project wise and not for all projects of the Taxpayer
- Applicable for RREP and Residential projects in REP (Not for commercial projects)
- Ongoing projects – shall meet all the following conditions:
 - a) **Commencement certificate** before 31st March 2019 from competent authority or from architect / chartered engineer / licenced surveyor (construed 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.
 - b) Commencement certificate not applicable – specific certificate in this regard from above authorities
 - c) **Completion certificate** or First occupancy not on or before 31st March 2019
 - d) apartments being constructed under the project have been, **partly or wholly, booked** on or before the 31st March, 2019 – all 3 conditions:
 - a) part of supply of construction of which has **time of supply** on or before the 31st March, 2019
 - b) at least one instalment has been **credited to the bank account** on or before the 31st March, 2019
 - c) an **allotment letter or sale agreement** or any other similar document evidencing booking of the apartment has been issued on or before the 31st March, 2019;

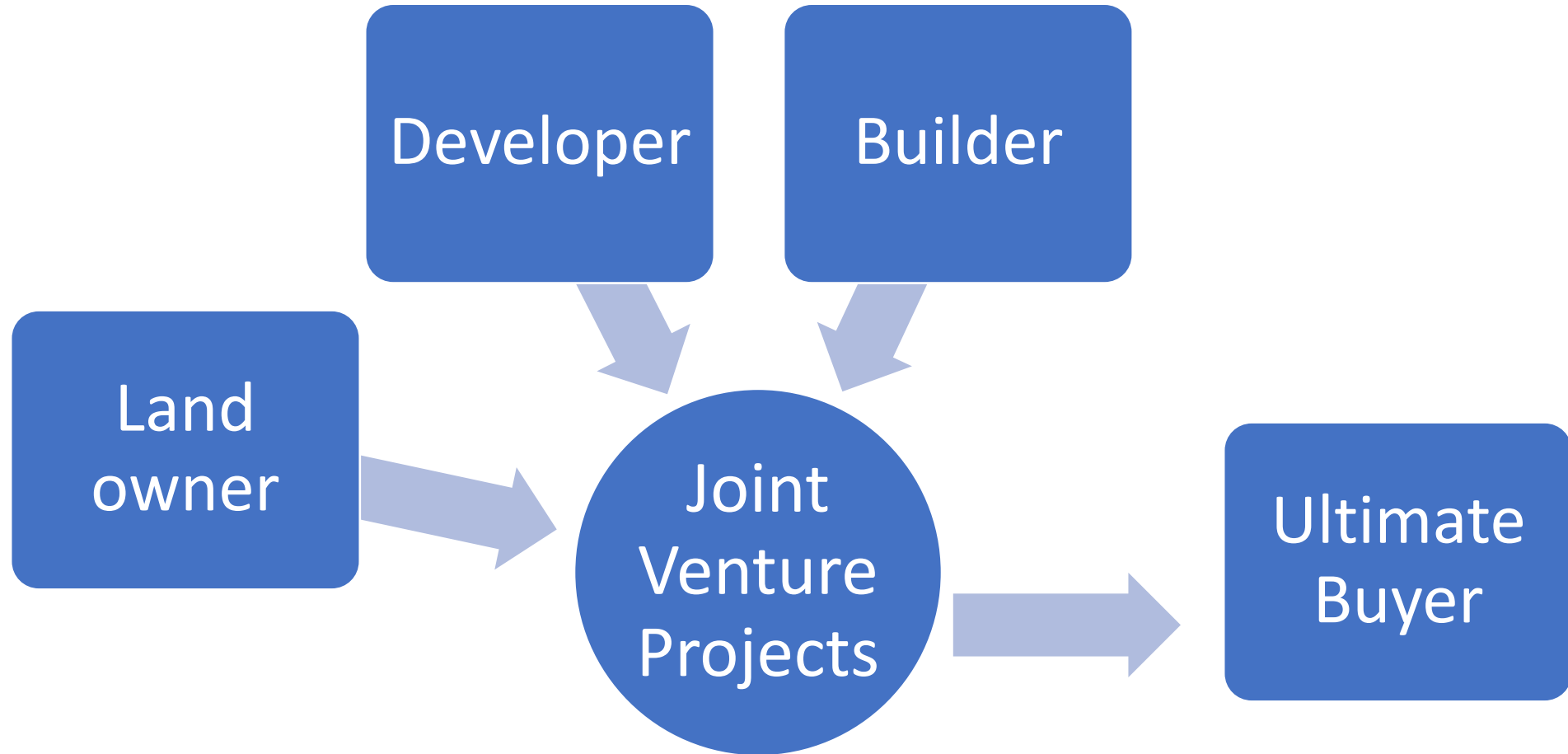
Transition of ONGOING PROJECTS w.e.f. 1st Apr 19





Joint Venture Development Agreements (JDA)

Joint Venture Development Projects



3 Major Taxable Transactions in Joint Venture

1

Construction services – Forward charge

- From Developer / Builder
- To Landowner
- **Caution:** It is important to agree upon in the JDA for tax collection by Developer / Builder from Landowner, without which Developer/Builder would be responsible, even without collection of tax

2

Construction services – Forward charge

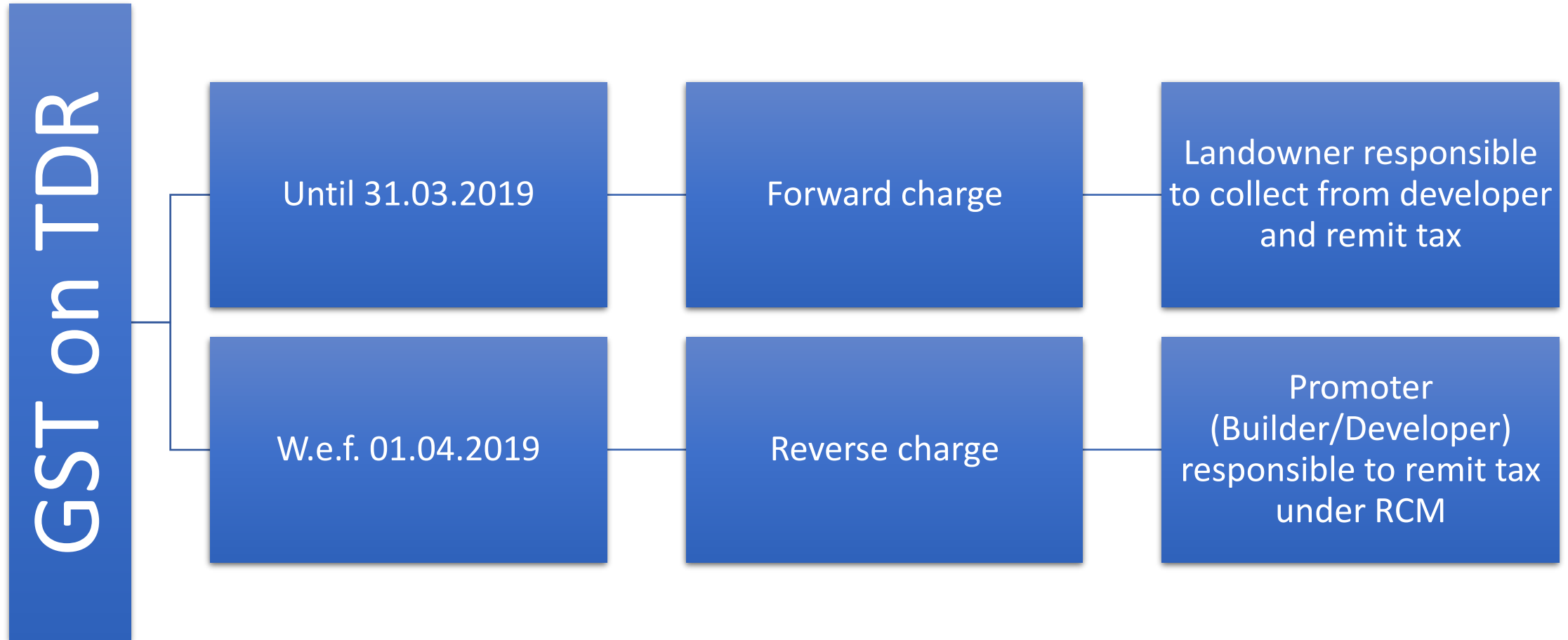
- From Developer / Builder / Landowner
- To Buyer
- **Note:** Landowner responsible to obtain GST registration in cases where landowner sells apartment during the construction stage and to discharge tax for sale before CC or First occupancy.

3

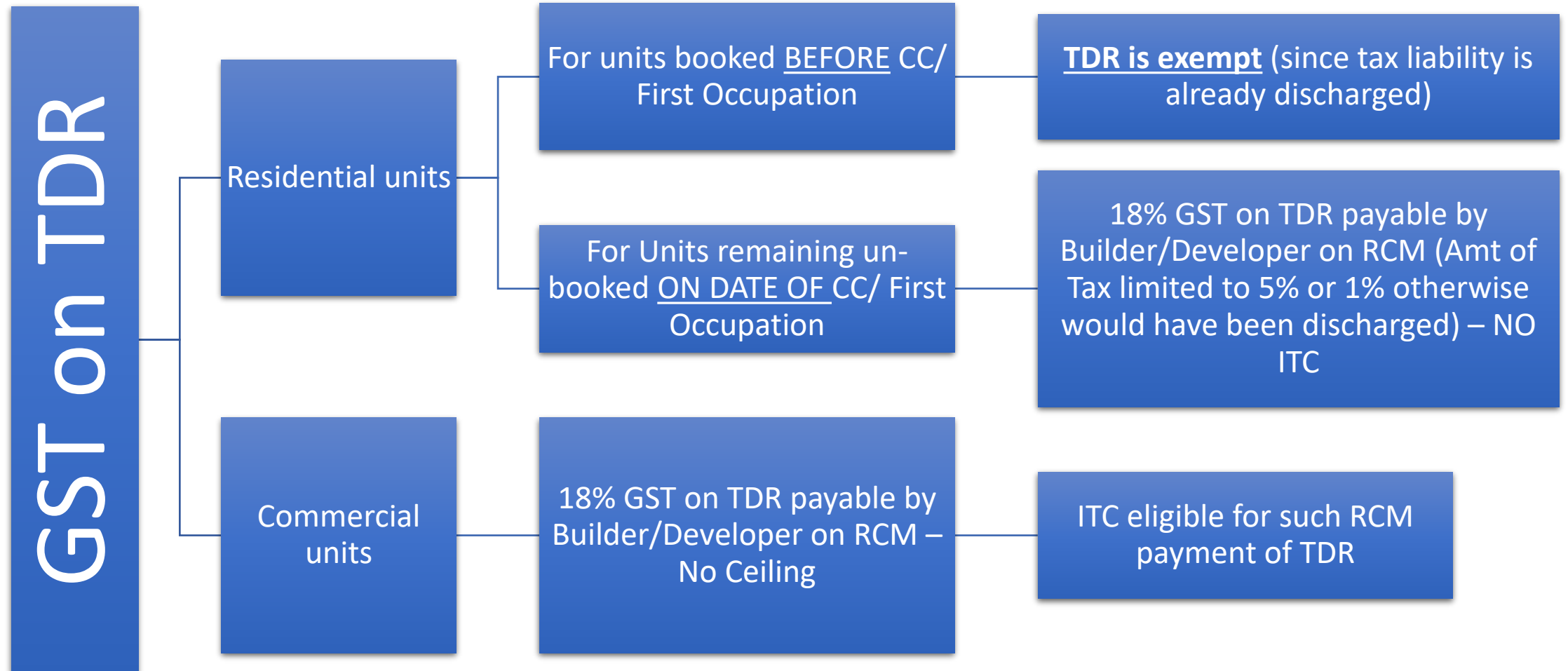
Transfer of Development Rights (TDR) – Reverse charge

- From Landlord
- To Developer / Builder
- Consideration whether in the form of construction services or in money – RCM in both cases
- **Major shift w.e.f. 1st April 2019:** Builder to pay tax under RCM

Taxability on Transfer of Development Rights (TDR) (applicable for TDR / FSI / Long term lease)



Taxability on Transfer of Development Rights (TDR) (applicable for TDR / FSI / Long term lease)



Landowner's Tax liability and ITC eligibility

- Landowner responsible to obtain GST registration in cases where landowner sells apartment during the construction stage i.e. before CC or First occupancy.
- Landowner liable to discharge tax for consideration received on sale of landowner's share of apartment, if any part of consideration before CC or First occupancy.
- In such scenario of output tax liability, landowner is eligible to avail ITC on the GST charged by the builder/developer on such property wherein construction services is given to the landowner for outside sales.
- Avail ITC of tax paid through builder/developer @ 5% and utilize it towards landowner's output of 5%
- ITC subject to conditions u/s 16 - Builder / Developer must raise Tax Invoice on the landowner and the credit to get reflected in GSTR2A duly
- For bookings after CC/FO, no output GST for landowner and thus no ITC. Reversal of ITC based on carpet area under Rule 42.

Time of supply for landowner's share of allotment

- Developer is liable to pay GST on construction service provided to landowner in lieu of Development Rights at the time of issuance of **CC or first occupation, whichever is earlier.**
- However, for commercial apartment involving monetary consideration, time of supply immediately upon receipt.
- If Landowner further sell such allotted flats to other buyers before issuance of CC/first occupancy, he is required to raise invoice and charge GST **as when payment is due from buyer.**
- This resulted in accumulation of ITC for landowner after tax liability has been already discharged in cash.

Time of supply for landowner's share – ITC and cash flow issue resolved

- Recommendation in 43rd GST Council Meeting dt 28th May 2021:
*“To make appropriate changes in the relevant notification for an explicit provision to make it clear that **landowner promoters could utilize credit** of GST charged to them by developer promoters in respect of such apartments that are subsequently sold by the land promotor and on which GST is paid. The **developer promotor shall be allowed to pay GST relating to such apartments any time before or at the time of issuance of completion certificate.**”*
- And consequent amendment to Notification No.06/2019-Central Tax (Rate) dt 29.03.2019 was made vide Notification No.03/2021-Central Tax (Rate) dt. 02.06.2021.
- Note: Notification explicitly mentions w.e.f. 02.06.2021. Hence prior period is under dispute.
- Refund dispute on accumulated ITC for completed transactions prior to amendment.

Inward supplies from Unregistered persons – Reverse Charge – Sec 9(4)

Notification No. 07/2019- Central Tax (Rate) dated 29th March 2019

- A promoter shall purchase atleast 80% of the value of input and input services, from registered suppliers.
- Exclusions for calculating this threshold:
 - development rights, long term lease of land d (against upfront payment in the form of premium, salami, development charges etc.), floor space index (incl additional FSI)
 - value of electricity, high speed diesel, motor spirit and natural gas
 - Salary & wagesused in construction of residential apartments in a project.
- Promoter has to pay GST @ 18% on reverse charge basis on all such inward supplies (to the extent short of 80% of inward supplies from registered supplier)
- Except CEMENT on which RCM at applicable rate 28% - 80% limit not applicable
- No ITC on this RCM, when taxes paid at 5% or 1%
- Action in March returns - To be paid on Yearly basis (even if project is spread across FYs) (or part of the financial year till the date of issuance of completion certificate or first occupation, whichever is earlier)
- RCM applicable for capital goods also when Promoter purchases from unregistered person.

Conditions prescribed in Notification

All the specified conditions against clause (i) to (id) of Sl. No 3 of Notification No. 03/2019-CTR are mandatory:

- ✓ payment of tax through Cash Ledger
- ✓ maintenance of project wise account of inward supplies from registered & unregistered suppliers
- ✓ payment of tax under RCM subject to 80% limit (Cement 28%; Others 18%)
- ✓ Non-availing of Input Tax Credit
- ✓ reversal of credit
- ✓ reporting of ITC not availed in corresponding GSTR-3B – Row 4(D)(2)

Multiple GST responsibilities of Promoter/Builder/Developer

GST on construction services to customer

GST on construction to landlord

GST under RCM on TDR/FSI/Long term lease

GST on RCM basis for inward supplies from unregistered dealers

GST payments to vendors

ITC availment and reversal for Commercial Apartments





Valuation related issues

Valuation issues – A need to carefully craft the agreement!

Section 15(2) The value of supply shall include-

*(a) any taxes, **duties**, cesses, fees and charges levied under any law for the time being in force other than this Act, the State Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, **if charged separately by the supplier;***

- Stamp duty usually collected by builder/developer from buyer and paid for registration purpose.
- Caution not to include Stamp duty in the price quoted in the agreement.

Valuation for landowner's allotment

Rule 27 – Consideration not entirely in money:

- a) Open market value – **Similar apartment handed over to outside buyer – Practical challenges – Gujarat High Court decision**
- b) If not OMV, consideration in money + equivalent to not in money
- c) If a or b not determinable, value of supply of like kind and quality
- d) If a / b/ c not determinable, Rule 30 (110% of cost – ignore for services) or Rule 31 (Residual method – reasonable means)

Para 2 of Notification No. 11/2017-Central Tax (Rate) dated 28th June, 2017

2. In case of supply of service specified in column (3) of the entry at item (i) against serial no. 3 of the Table above, involving transfer of property in **land or undivided share of land**, as the case may be, the value of supply of service and goods portion in such supply shall be equivalent to the total amount charged for such supply less the value of land or undivided share of land, as the case may be, and the value of land or undivided share of land, as the case may be, in such supply **shall be deemed to be one third of the total amount charged** for such supply.

Explanation .– For the purposes of paragraph 2, “total amount” means the sum total of,-

- (a) consideration charged for aforesaid service; and
- (b) amount charged for transfer of land or undivided share of land, as the case may be.

Valuation for landowner's allotment – Practical Numerical impact

Practical challenges in OMV, if rate of **Similar apartment handed over to outside buyer** is adopted.

Particulars	1. High land value location	2. Locality under development	3. Locations with low land cost
Cost of land per sq. ft.	12,000	6,000	3,000
Construction cost (incl. profit margin) per sq. ft.	3,000	3,000	3,000
Total selling price to outside buyers per sq. ft.	15,000	9,000	6,000
Taxable value for landowner's share as per N No. 3/2019 after 1/3 rd deemed deduction for land	10,000	6,000	4,000
Actual cost of construction	3,000	3,000	3,000
Determined taxable value in excess of actual construction cost	7,000	3,000	1,000

Valuation for landowner's allotment – Gujarat HC landmark decision

Extracts of verdict - Munjaal Manishbhai Bhatt vs Union of India C/SCA/1350/2021 dated 06.05.2022:

122. The impugned Paragraph 2 of N No. 11/2017-CT(Rate) dt 28.6.2017, which provide for a **mandatory fixed rate of deduction of 1/3rd** of total consideration towards the value of land is **ultra-vires the provisions as well as the scheme of the GST Acts**. Application of such mandatory uniform rate of deduction is discriminatory, arbitrary and violative of Article 14 of the Constitution of India.

123. While we so conclude, the question is whether the impugned paragraph 2 needs to be **struck down or the same can be saved by reading it down**. In our considered view, while maintaining the **mandatory deduction of 1/3rd** for value of land is **not sustainable in cases where the value of land is clearly ascertainable or where the value of construction service can be derived with the aid of valuation rules**, such deduction can be permitted at the option of a taxable person particularly in cases where the value of land or undivided share of land is not ascertainable.

Valuation for landowner's allotment – Gujarat HC landmark decision

Extracts of verdict - Munjaal Manishbhai Bhatt vs Union of India C/SCA/1350/2021 dated 06.05.2022:

*124. Para 2 of N No. 11/2017-CT(Rate) is **read down** to the effect that the deeming fiction of 1/3rd will **not be mandatory in nature**. It will only be available **at the option of the taxable person** in cases where the **actual value of land or undivided share in land is not ascertainable**.*

Refund of excess tax with 6% interest granted.

SLP against this decision is now pending in Hon'ble Supreme Court – A batch of 3 cases - Munjaal Manishbhai Bhatt, Karma Buildcon & Dipesh Naik

Reference: Supreme Court verdict in the case of Wipro on Customs valuation for 1% landing charges.



Time of Supply - Section 31(5) - CONTINUOUS SUPPLY of Services

Continuous Supply of Services

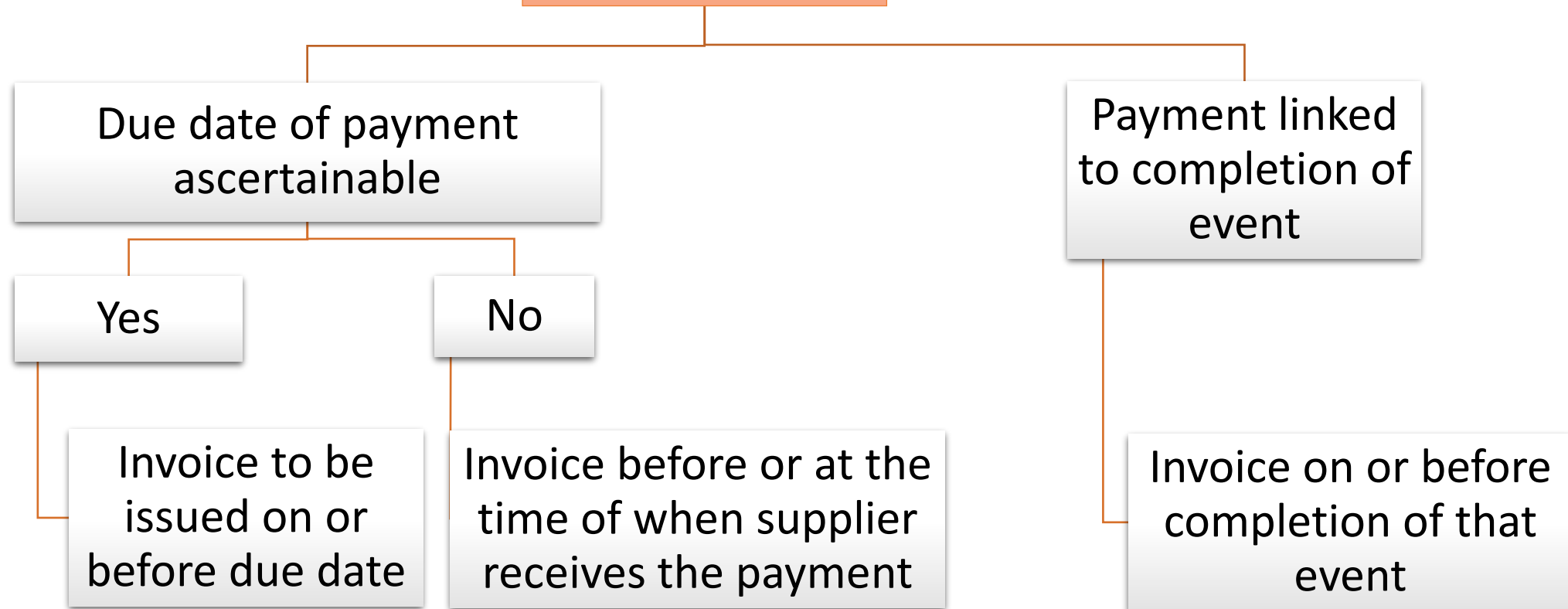
Section 2 (33) “continuous supply of services” means

- *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;*

**Section 31(5) -
CONTINUOUS
SUPPLY of
Services**

Three conditions to be satisfied:

1. Service should be provided continuously or on recurring basis.
2. Contract period > 3 months
3. Payment obligation should be periodical



Note: Time of supply to be calculated as 30/45 days from the dates prescribed above.

Example – CONTINUOUS Supply of Services

1. Where due date is ascertainable from the contract

Invoice to be issued on or before due date

Situation 1: In this situation, the due date of payment can be ascertainable from the contract. So, the last date of issuance of invoice will be the due date of payment. The due date of payment will be end of each quarter. So, the time of supply will be determinable as follows:

Periodic Completion of service	Date of Invoice	Actual payment dates	Value	Invoice issued within time limit	Time of supply
30-09-2019	03-10-2019	15-10-2019	50,00,000	No	30-09-2019
31-12-2019	02-12-2019	03-02-2020	50,00,000	Yes	02-12-2019
31-03-2020	10-04-2020	20-03-2020	50,00,000	No	20-03-2020

Example – CONTINUOUS Supply of Services

2. Where due date is NOT ascertainable from the contract Invoice when supplier receives the payment

Situation 2: In this situation, due date of payment is not ascertainable from the contract. So, the invoice is to be issued before or at the time when the supplier of services receives the payment. So, the time of supply will be determinable as follows:

Periodic Completion of service	Date of Invoice	Actual payment dates	Value	Invoice issued within time limit	Time of supply
31-12-2019	04-01-2020	12-01-2020	90,00,000	Yes	04-01-2020
31-03-2020	22-04-2020	02-04-2020	60,00,000	No	31-03-2020

Example – CONTINUOUS Supply of Services

3. Where payment is linked to the completion of event Invoice on or before completion of that event

Situation 3: In this situation, the payment is linked to the completion of event. The invoice should be raised on or before the completion of that event (i.e., 40% or 100% completion as the case may be). So, the time of supply will be as follows:

Periodic Completion of service	Date of Invoice	Actual payment dates	Value	Invoice issued within time limit	Time of supply
01-10-2019	29-09-2019	05-10-2019	60,00,000	Yes	29-09-2019
31-03-2020	24-04-2020	28-04-2020	90,00,000	No	31-03-2020

CESSATION of supply of services before completion of supply – Sec 31(6)

Supply of services ceases before completion of supply



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graph TD; A[Supply of services ceases before completion of supply] --> B[Invoice is to be issued at the time when the supply ceases]; B --> C[Such invoice shall be issued to the extent of the supply made before such cessation];
```

Invoice is to be issued at the time when the supply ceases

Such invoice shall be issued to the extent of the supply made before such cessation

Other issues

- GSTR1 & GSTR3B reporting
- GSTR 9 9C – Multiple reporting items in GSTR 9C
- Sale of plot – Circular 177 – 2022
- Credit notes / Unregistered recipient eligible for refund



This report is prepared with an intention to give clarity on the technical topic under GST law. This documentation shall not be construed as a substitute for the legal regulations/ notifications / Act. Any decision to be taken shall be made on obtaining professional advice.

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