

GOVERNMENT OF WEST BENGAL
DIRECTORATE OF COMMERCIAL TAXES
14, BELIAGHATA ROAD, KOLKATA-700015

TRADE CIRCULAR No. 22/2019 (Circular No. 101/20/2019-GST)

DATED: 02.05.2019

Subject: GST exemption on the upfront amount payable in for long term lease of plots, under Notification 1136-F.T. [12/2017 – State Tax (R)] S. No. 41 dated 28.06.2017.

Representations have been received by the Commissioner seeking clarification regarding admissibility of GST exemption on the upfront amount which is determined upfront but is paid or payable in installments for long term (thirty years, or more) lease of industrial plots or plots for development of financial infrastructure under Notification No. 1136-F.T. [12/2017 – State Tax (R)] S. No.41 dated 28.06.2017.

2. The matter has been examined. The entry at S. No.41 of Notification No. 1136-F.T. [12/2017 – State Tax (R)] dated 28.06.2017 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

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 1136-F.T. [12/2017 – *State Tax (R)*] dated 28.06.2017 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 Commissioner.

Sd/-
(Smaraki Mahapatra)
Commissioner, State Tax,
West Bengal

Memo. – 211 CT/PRO
3C/PRO/2019

Date: 02.05.2019

Copy forwarded to the Additional CST/ISD for information and for uploading it on the official website of the Directorate for information of all concerned.

Sd/-
(Adesh Kumar)
Special CST & PRO