

Office of the
Commissioner of State Tax,
Maharashtra State, 8th Floor,
GST Bhavan, Mazgaon,
Mumbai – 400010.

TRADE CIRCULAR

No. JC (HQ)-1/GST/MISC/2019/21/B-209

Mumbai, dated 17/05/2019

Trade Circular No. 37 T of 2019.

Subject : GST on construction of “Affordable Residential Apartments” in Mumbai Metropolitan Region.

Reference: 1. Rate Notification No. 11 of 2017 dated 29th June 2017.
2. Rate Notification No. 3 of 2019 dated 29th March 2019.

The GST Council in its 33rd and 34th Meeting has taken certain decisions for boosting Real Estate Sector in the country. To give effect to the decisions, Rate Notification No.11, 12 and 13 of 2017 have been amended by Rate Notification No. 3,4 and 5 of 2019 dated 29th March 2019. Apart from this, Rate Notification No. 6,7 & 8 of 2019 have also been issued on 29th March 2019, in respect of the real estate sector.

Lower GST rate of 1% has been provided for services of construction of “affordable residential apartments” by a promoter in a Residential Real Estate Project [see sr. no. 3 of Rate Notfn. 11/2017, as amended by Rate Notfn. 3/2019 dated 29th March 2019]. The term “Affordable Residential Apartment” has been defined to mean “a residential apartment in a project which commences on or after 1st April, 2019, or in an ongoing project in respect of which the promoter has not exercised option in the prescribed form to pay State tax on construction of apartments at the rates as specified for item (ie) or (if) against serial number 3, as the case may be, having carpet area not exceeding 60 square meter in metropolitan cities or 90 square meter in cities or towns other than metropolitan cities and for which the gross amount charged is not more than forty-five lakhs rupees.” [See sub-clause (a) of clause (xvi) in para 4 of Explanation in Rate Notification 11 of 2017, as amended by Rate Notfn. 3 of 2019 dated 29th March 2019.] List of metropolitan cities provided in the said clause includes “Mumbai (whole of MMR i.e. Mumbai Metropolitan Region) with its respective geographical limits prescribed by an order issued by the Central or State Government in this regard.”

The areas comprising the "Mumbai Metropolitan Region" have been specified in Schedule I of the Mumbai Metropolitan Region Development Authority Act, 1974.

In view of the above, it is clarified that "Mumbai Metropolitan Region" for the purposes of the above-referred notification, shall comprise of the areas specified in the said Schedule I, as amended from time to time of the Mumbai Metropolitan Region Development Authority Act, 1974.

(Rajiv Jalota)

Commissioner of Sales Tax,
Maharashtra State, Mumbai

No. JC (HQ)-1/GST/MISC/2019/21/8-209
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Mumbai, dated 17/05/2019

Copy forwarded to the Joint Commissioner of Sales Tax (Mahavikas) with a request to upload this Trade Circular on the Departments web-site.

(S. H. Umale)
Joint Commissioner of Sales Tax,
(HQ)1, Maharashtra State, Mumbai