

Office of the  
Commissioner of State Tax,  
(GST), 8th floor, GST Bhavan,  
Mazgaon, Mumbai-400010.

**TRADE CIRCULAR**

To,

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No. JC (HQ)-1/GST/2019/CBIC Circular(s)/ADM-8

Mumbai, dated

17/05/2019

Trade Circular (GST) No. 36 T of 2019.

To,

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Subject :-

**GST exemption on the upfront amount payable in installments for long term lease of plots, under Notification No. 12/2017 – State Tax (R) Sr. No.41 dated 29.06.2017 - reg.**

Ref. :-

CBIC Circular No. 101/20/2019-GST dated 30th April 2019.

Sir/Gentlemen/Madam,

1. Representations have been received by the Board 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 12/2017 – State Tax (R) Sr. No.41 dated 29.06.2017.
2. The matter has been examined. The entry at Sr. No. 41 of Notification 12/2017 – State Tax (R) dated 29.06.2017 reads as under:

Sr. No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
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(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	NIL	NIL
		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.”		

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 12/2017 – State Tax (R) dated 29.06.2017 is admissible irrespective of whether such upfront amount is payable or paid in one or more instalments, provided the amount is determined upfront.
4. This Trade Circular is clarificatory in nature and hence cannot be made use of for interpretation of provisions of the law. Difficulty if any, in the implementation of this Circular may be brought to the notice of the office of the Commissioner of State Tax, Maharashtra State.

Yours faithfully,

**(Rajiv Jalota)**

Commissioner of State Tax (GST)  
Maharashtra State, Mumbai.

No. JC (HQ)-1/GST/2019/CBIC Circular(s)/ADM-8

Mumbai, dated 17/05/2019

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Copy forwarded for information and necessary action to,-

- (1) The Joint Commissioner of State Tax, (MAHAVIKAS) with a request to upload this Trade Circular on MGSTD web-site.
- (2) Deputy Secretary, Finance Department, Mantralaya, Mumbai.
- (3) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.

  
(Shriram H. Umale)

Joint Commissioner of State Tax  
(HQ)-01, Maharashtra State,  
Mazgaon, Mumbai.

