

# **REAL ESTATE SECTOR RERA - GST - IBC**

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# BACKGROUND

- Existing practice pre 01.04.2019
  - GST at 18% on construction agreement and no GST on UDS
  - GST at an effective rate of 12% after aggregating land and construction consideration
  - GST at an effective rate of 8% after aggregating land and construction consideration in respect of affordable housing
  - GST at 18% on construction of villa after sale of plot
  - GST at an effective rate of 12% on land and villa

# BACKGROUND

- Existing practice pre 01.04.2019
  - No GST after issue of CC or first occupation, whichever is earlier
  - Reversal of proportionate ITC based on CC
  - Non-reversal of proportionate ITC even after CC based on decisions
  - Land owners not charging GST on their customers
  - Developer discharging GST on landowner share represented by constructed area
  - Developer not charging GST on such transaction based on decisions and interpretation
  - Debate on applicability of GST on development rights

# CHANGE IN LAW

- 6 CGST rate notifications
- 6 IGST rate notifications
- Amendment to CGST Rules
- Removal of Difficulty Order
- UTGST Notifications
- 68 FAQs
  - *The answers to the FAQs have been given in simple language for guidance and easy understanding of all stakeholders in the real estate sector. They do not have force of law. In case of conflict, the gazette notifications which have legal force shall have precedence.*

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## ENTRY 3(if), NOTIFICATION NO.3/2019.

- Construction of complex, building, civil structure or part thereof including
  - Commercial apartments (shops, offices, godown, etc.) by a promoter in a real estate project
  - Residential apartments in an ongoing project, other than affordable residential apartments, where promoter has exercised option to pay tax under this entry.
- GST at 18%.
- ITC available.
- $\frac{1}{3}$ <sup>rd</sup> deduction towards land available.
- *Industry identifies the rate as 12% on the total consideration.*

## ENTRY 3(ie), NOTIFICATION NO.3/2019.

- Construction of an apartment in an ongoing project under any of the schemes that existed in the past
- GST at 12%
- ITC available
- 1/3<sup>rd</sup> deduction towards land
- *Industry identifies the rate as 8% on the total consideration*

# ONGOING PROJECTS - ISSUES

- **Single RERA approval – four towers – work yet to commence in respect of 3 towers while 40% work completed in respect of 1 tower**
  - Whether only 1 tower qualifies for on-going project status?
  - Whether entire project is on-going project since there is single RERA approval
  - Whether it is still possible to call the other towers as on-going without any excavation and earth work ?
- **Project involving 8 apartments – RERA not applicable**
  - On-going project status based on excavation and earth work?
- **Project commenced before 01.05.2017**
  - RERA not applicable if completion certificate has been issued
  - Dilution of requirements for CC by State RERA Rules
  - CC on putting up stilt and related structures
  - Whether this would be treated as CC for the purpose of GST?

# ONGOING PROJECTS - ISSUES

- **Project commences during service tax regime**
  - Commencement certificate available
  - CC not issued
  - Customers had made bookings with service tax
  - Service tax returns filed
- **Exercise of Option**
  - Notification provides that one time option to be exercised in the specified format on or before 20.05.2019
  - If option not exercised, it shall be deemed that 5% option has been exercised
  - Can non-action result in a differential rate of tax without ITC?
  - Whether such powers are available under Section 9(1) which deals with power to specify rates?
  - Can rate notification have conditions?



# ONGOING PROJECTS - ISSUES

- What happens to projects where the option for old rate was not exercised?
  - Whether entry 3(ie) / 3(if), Notification No. 11/2017 – CTR can still be available if the declaration is filed belatedly?
  - Can a substantial benefit be denied for delay if there are bonafide reasons?
  - Precedents
    - Filing of option letter is a procedural requirement and substantial benefit cannot be denied. Option only intimation and no further action required from either of the parties – Mumbai Tribunal in the case of ***Prestige Metal***
    - Filing of formal letter subsequently cannot be a ground for denial of benefit – Delhi Tribunal in the case of ***Herbal Concepts***

# NEW PROJECTS

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# NEW PROJECT

- Project which commences on or after 01.04.2019 shall mean a project other than an ongoing project.
- GST at 5% with multiple conditions
- GST at 1% for affordable housing
  - Carpet area should not exceed 60 sq. mt. in metropolitan city or 90 sq. mt. in other places.
  - Gross amount charged is not more than Rs.45 lakhs.
  - Gross amount charged shall be the sum total of consideration for the services; amount for land; and any other amount charged including preferential location, development charges, parking, common facilities, etc.

# **ISSUE No. 1**

## **WHETHER 5% IS THE ONLY OPTION?**

## GST @ 18%

- Developer pays GST @ 18% on the construction consideration
  - 18% charged on customer or 5% charged on customer but 18% paid to Government
- No GST on the consideration for the land
- ITC availed
- Is this option available?

## GST @ 18%

- Notification No. 3/2019 – CTR amends Notification No. 11/2017 – CTR
- Notification No. 11/2017 – CTR issued in exercise of powers available under Section 9(1), 11(1), 15(5) and 16(1) of the CGST Act, 2017
  - Power to notify rates – 9(1)
  - Power to grant exemption – 11(1)
  - Power to determine value for such supplies in the manner prescribed – 15(5)
  - Subject to conditions and restrictions as may be prescribed, ITC is available – 16(1)

## GST @ 18%

- **Power to notify rates is a simple power and there is no power to specify conditions or restrictions**
- Power to grant exemption does not confer power to provide a deeming fiction where option is not exercised
- Non-availability of ITC can be specified only through Section 17(5) and not through a rate notification
- Section 16(1) does not confer power to deny credit
- Section 15(5) requires rules to be framed for valuation in respect of notified supplies

## GST @ 18%

- Developers followed WCT category and discharged 18% GST under Entry 3(ii), Notification No.11/2017 - CTR as *composite supply of works contract as defined in Section 2(119) of CGST Act, 2017*
- **Entry 3(ii) deleted by Notification No.3/2019.**
- Entry 3(xii) is the residual entry which refers to construction services other than ... ..
- Contractors and sub-contractors
- Developers who follow WCT
  - Whether it can be called as other construction services?
  - Whether it will fall under general residual services?
  - Whether there is no entry for taxation since WCT is defined?



## GST @ 18%

- Lower rate with conditions is more under Section 11 in the form of an exemption rather than a rate under Section 9.
- Lower rate with conditions as an exemption results in the following:
  - If the exemption is absolute, then the assessee has no choice but to avail the exemption.
  - If the exemption is conditional, then the assessee at his option can choose not to avail the exemption;
- Conditional exemption is at the option of the assessee – Decisions available
- Assessee can chose to ignore the conditional exemption (5%) and discharge GST at 18% and avail ITC

# **ISSUE No. 2**

## **5% SCHEME – IMPACT ON VESTED RIGHTS?**

## GST @ 5%

- Tax payment only through electronic cash ledger
- ITC on goods and services used in supplying services has not been taken to the extent specified in Annexure I and Annexure II of Notification 3/2019
- Reversal of ITC/payment in respect of ITC attributable to construction in a project where the time of supply is after 1.04.2019 as calculated in the manner set out in Annexure I and II
- 80% of value of inputs and inputs services other than development rights/long term lease/FSI/ electricity/HSD/Petrol and natural gas should be received from registered suppliers
- If there is a shortfall till date of issue of CC, tax shall be paid on the shortfall at the rate of 18% under RCM
  - RCM Notifications issued
  - In respect of cement from an unregistered person – RCM at rates applicable to cement.
- Project wise procurement details to be maintained and which has to be submitted in the portal by the end of the quarter following the financial year.
- ITC not availed to be reported as ineligible credit in GSTR-3B.

## GST @ 5%

- Can a rate notification mandate procurements only from registered suppliers?
- Registered suppliers not available for certain supplies
- Various vendors would be within the threshold limit and hence not registered
- What is the legal sanction for 80:20?
- Calculation of tax payments on shortfall at the end of the financial year and the tax so determined to be added to the output tax liability in a month not later than June following the end of the financial year
- Tax to be paid on cement in the month of receipt
- *Can all this be specified in a rate notification?*
- *Does Section 9(4) confer power to impose RCM through Notification No. 7/2019 – CTR based on shortfall in procurements from registered vendors?*
- *Section 9(4) refers to*
  - *class of registered persons;*
  - *specified categories of goods or services;*
  - *received from an unregistered supplier*

## SHIFTING TO NEW RATES – IMPACT ON ITC

- All calculations for determining eligible ITC is based on carpet area.
- Carpet area as per RERA means the net usable floor area of an apartment ***excluding***
  - External walls
  - Areas under service shaft
  - Exclusive balcony or verandah area
  - Exclusive open terrace area***But includes the area covered by the internal partition wall of the apartment.***
- If RERA itself is not applicable, can the carpet area based on RERA be a factor?
- *Notification nowhere refers to Common area*
- *Whether it is correct to take the whole ITC and reverse based on carpet area and other factors?*

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## SHIFTING TO NEW RATES – IMPACT ON ITC

- Entire ITC from 1.07.2017 to 31.03.2019 including Transitional credit is the starting point
  - There are notices questioning TRAN availment on construction materials
  - There are proceedings before NAPA where the authority wants the developer to pass on the TRAN credit benefit
  - Withdrawal of vested rights
  - Re-determination of eligible ITC
  - Complex formulas set out in annexures to the Notification.
- **Formula involves calculation of**
  - Percentage of completion of project (as declared to RERA or as per certificate if there is no requirement under RERA)
  - Percentage of invoicing
  - Actual consideration received
  - Percentage of procurement of inputs and input services
  - Actual consumption
  - Deeming figures

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# VESTED RIGHTS

- Taking away ITC would amount to taking away a vested right and can be challenged
- A notification cannot have retrospective effect to withdraw vested rights or demand payment – ***Eicher Motors***
- While deciding the retrospective applicability of the amendment to Section 19(20) of the TNVAT Act, SC held that it cannot be applied retrospectively to deny ITC benefit availed by dealers. It further held that Section 19(20) is altogether a new provision introduced for determining the input tax in a specified situation, i.e., where goods are sold at a lesser price than the purchase price of goods and that such a provision cannot have retrospective effect when vested right had accrued in favour of the dealers. The Court upheld the vires of the provisions while setting aside the retrospective effect of the amendment - ***Jayam & Co.***

# ISSUE No. 2 - LAND



## NO TAX ON LAND

- The Delhi High Court in the case of ***Suresh Kumar Bansal Vs. Union Of India And Others (2016) 43 STR 3*** held that
  - (i) While the legislative competence of the Parliament to tax the element of service involved cannot be disputed, the levy itself would fail if it does not provide for a mechanism to ascertain the value of service component which is the subject of the levy.
  - (ii) Service tax cannot be levied on the value of undivided share of land acquired by a buyer of a dwelling unit or on the value of goods which are incorporated in the project by a developer.
  - (iii) There is no machinery provision for ascertaining the service element involved in the composite contract. In order to sustain the levy of service tax on services, it is essential that the machinery provisions provide for a mechanism for ascertaining the measure of tax that is the value of services which are charged to service tax.

## NO TAX ON LAND

- (iv) While Rule 2A of the Valuation Rules provides for a mechanism to ascertain the value of services in a composite works contract involving services and goods, the said Rule does not cater to determination of value of services in case of a composite contract which also involves sale of land. The gross consideration charged by a builder - promoter of a project from a buyer would not only include an element of goods and services but also the value of undivided share of land which would be acquired by the buyer.
- (v) The abatement to the extent of 75% by a Notification or a Circular cannot substitute the lack of statutory machinery provisions to ascertain the value of services involved in the composite contract.

## NO TAX ON LAND

- (vi) Service Tax under Section 66 read with Section 65(105)(zzzh) cannot be charged in respect of composite contracts such as the ones entered into by the petitioners with the builders. The impugned explanation to the extent it seeks to include composite contracts for the purchase of units in a complex, within the scope of taxable service is set aside.

## SCENARIO – 1

- Land consideration Rs. 1,000 per sq. ft.
- Construction consideration Rs. 14,000 per sq. ft.
- Deduction under Notification – 1/3<sup>rd</sup>
- Taxable Value Rs. 10,000 per sq. ft.
- *Can the tax authorities insist that land value should be Rs. 1,000 and not Rs. 5,000 per sq. ft.?*
- It is well settled that a deeming provision is an admission of the non-existence of the fact deemed. The legislature is quite competent to enact a deeming provision for the purpose of assuming the existence of a fact which does not really exist - ***JK Cotton Spinning and Weaving Mills (SC)***
- *When the law creates a legal fiction such fiction should be carried to its logical end. There should not be any hesitation in giving full effect to it - **Builder's Association of India (SC)***

## SCENARIO - 2

- Land consideration Rs. 10,000 per sq. ft.
- Construction consideration Rs. 5,000 per sq. ft.
- Deduction under Notification –  $\frac{1}{3}^{\text{rd}}$
- Taxable Value Rs. 10,000 per sq. ft.
- *Can the assessee adopt the land value on actual basis since it is beneficial?*

## SCENARIO - 2

- This would result in levy of GST on land which is impermissible.
- Supreme Court decision in the case of ***Wipro Ltd.***
- Whether inclusion of land in the consideration is permissible?
- Entry 49, State List not amended by the 101<sup>st</sup> Constitutional Amendment Act

# **ISSUE No. 3 – JOINT DEVELOPMENT AGREEMENT – LANDOWNER SHARE**

## GST ON LANDOWNER SHARE?

- Joint Venture
- Different models
- Revenue share model
  - No construction for owner
  - No allocation of constructed area for owner
  - All flats developed and marketed by builders
  - Percentage of revenue shared with the owner



# REVENUE SHARE MODEL

- In the case of *Mormugao Port Trust Vs. CCUs (2017) 48 STR 69*, the Mumbai Bench of the Tribunal has held that if the agreement is read as a whole it clearly comes out that the assessee and SWPL were jointly undertaking a common enterprise, the revenue of which was shared between the two.
- In so far as the other argument of the revenue that non-sharing of losses militates against the principle of partnership being canvassed by the Assessee is concerned, the broad principle of partnership of law applies to a transaction between co-venturer and joint venture and not the entire Partnership Act per se.
- Even under the Partnership Act there is no stipulation that the partners must necessarily share losses.
- In any case, in a joint venture of the present type where jointly controlled operations are being undertaken and one of the venturers brings in the land and the water front and the right to exploit such water front as his contribution while the other venturer brings in money to create infrastructure on the same as his capital, each of the partners is responsible / liable for the loss of his capital in case the venture is not successful.
- ***There is no service rendered by the appellant and the money flow to the assessee from SWPL under the nomenclature of royalty is not a consideration for rendition of any services but in fact represents the appellant's share of revenue arising out of the joint venture being carried on by the assessee and SWPL.***

## AREA SHARE MODEL

- Share of constructed area
- *Is the developer liable to pay GST on construction done for the land owner?*
- *Can it be said that there is a supply of service by the developer to the landowner?*
- *Can it be said that since the cost of construction pertaining to the landowner share has been captured in the selling rate to the customers, there cannot be any further levy?*

## AREA SHARE MODEL

- The Hyderabad Bench of the Tribunal in the case of ***Vasantha Green Projects vide Final Order dated 11.05.2018*** has held that it is undisputed that the appellant provided construction services to landowners and received legal rights on his share of land; constructed villas and sold them.
- The Appellant had discharged service tax liability on the transaction with prospective customers and for such customers the cost of land has been included in the value.
- Since the value arrived for prospective customers included the consideration paid or payable for the acquisition of land it cannot again suffer service tax.
- The amount attributable to consideration received in the form of land right from the owner stands included in the value of villas sold to prospective customers.

## AREA SHARE MODEL

- This decision was followed by the Hyderabad Bench subsequently in the case of ***PNR Infra Pvt. Ltd.*** in which the appellant had included the cost of land over and above the value of flats constructed and sold and paid service tax on that and produced a certificate from the chartered accountant. The Tribunal held that the amounts attributable to the value of land has been considered as an addition to the value that is charged on the flat owners who purchased the flats from the appellant and hence there is no service tax liability once again.

# AREA SHARE MODEL

- **Faqir Chand – Supreme Court**

- *An agreement between the owner of a land and a builder for construction of apartments and sale of those apartments so as to share the profits may be a joint venture, if the agreement discloses an intent that both parties shall exercise joint control over the construction/development and be accountable to each other for their respective acts with reference to the project.*
- *On facts there is a contract for construction of an apartment and there is consideration for such construction flowing from the land owner to the builder (in the form of sale of undivided share in the land and permission to construct and own the upper floors).*
- *The land owner is the consumer, builder is the service provider.*
- *Can a decision rendered in the context of Consumer Protection Act apply to service tax / GST?*
- *What happens if the terms of the JV indicate a co-venture rather than a service relationship?*

# NOTIFICATION NO.4/2018

- *In exercise of the powers conferred by section 148 of the Central Goods and Services Tax Act, 2017, the Central Government, on the recommendations of the Council, hereby notifies the following classes of registered persons, namely :-*
  - *(a) registered persons who supply development rights to a developer, builder, construction company or any other registered person against consideration, wholly or partly, in the form of construction service of complex, building or civil structure; and*
  - *(b) registered persons who supply construction service of complex, building or civil structure to supplier of development rights against consideration, wholly or partly, in the form of transfer of development rights,*
- *as the registered persons in whose case the liability to pay central tax on supply of the said services, on the consideration received in the form of construction service referred to in clause (a) above and in the form of development rights referred to in clause (b) above, shall arise at the time when the said developer, builder, construction company or any other registered person, as the case may be, transfers possession or the right in the constructed complex, building or civil structure, to the person supplying the development rights by entering into a conveyance deed or similar instrument (for example allotment letter).*

# NOTIFICATION NO.6/2019

- This Notification has been issued under Section 148 of the CGST Act whereby the followings classes of registered persons have been notified as the persons liable to pay CGST:
  - Promoter who receives development rights or FSI including additional FSI on or after 01.04.2019 for construction of a project against consideration payable or paid by him wholly or partly in the form of construction service of commercial or residential apartment in the project or in any other form including in cash.
  - Promoter who receives long-term lease of land on or after 01.04.2019 for construction of residential apartments in a project against consideration payable or paid by him in the form of upfront amount (called as premium, salami, cost price, development charges or by any other name).

# NOTIFICATION NO.6/2019

- The liability to pay CGST is on the
  - consideration paid by the promoter in the form of construction service of commercial or residential apartments in the project *for supply of development rights or FSI including additional FSI*;
  - monetary consideration paid by the promoter, *for supply of development rights or FSI including additional FSI*;
  - upfront amount (called as premium, salami, cost price, development charges or by any other name) paid by the promoter for long-term lease of land relatable to construction of residential apartments in the project;
  - supply of construction service by the promoter against the consideration in the form of development right or FSI including additional FSI.
- The liability shall arise on the date of issuance of completion certificate for the project, where required by the competent authority or on its first occupation whichever is earlier.
- The Notification provides that the tax is required to be paid under reverse charge basis in accordance with Notification No.13/2017.

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## GST ON LANDOWNER SHARE - OPTIONS

- No tax position
- Rate charged for similar apartment nearest to the date on which development right is transferred less 1/3<sup>rd</sup> towards land.
- Since the land already owned by the owner GST at 18% for the construction carried out for the owner (akin to a contractor)
  - Value could be comparable rate
  - Value could be guideline value of land given up by the owner
  - Value could be agreed rate
  - Value could be cost plus

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# ISSUE NO.4 – DEVELOPMENT RIGHTS

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## NOTIFICATION NO. 4/2019 - CTR

- Development rights – Residential projects
- No GST through an exemption notification subject to conditions
- In case completion certificate is obtained and there are unbooked units, promoter has to pay GST on development rights under RCM @18%
- GST to be paid on issue of CC or first occupation whichever is earlier
- Liability will be calculated by taking into account carpet area of unbooked units as against carpet area of total units
- *Where promoter is liable to pay on development rights notification provides that value shall be deemed to be equal to value of similar apartments charged by the promoter from independent buyers nearest to the date on which the developments rights are transferred to the promoter.*

## WHETHER DEVELOPMENT RIGHTS CONSTITUTE IMMOVABLE PROPERTY?

- Development rights in immovable property can be considered as benefits attached to land and hence would take the character of immovable property.
  - *Chheda Housing Development Corpn.*
  - *Anand Behra*
  - *DLF Commercial Projects*

# DEVELOPMENT RIGHTS – GST?

- Whether there is a supply in the course or furtherance of business?
- In order that a transaction may be treated as 'business transaction', it must be a transaction that answers the above description from the standpoint of both the parties to the transaction. It cannot be a business transaction from the standpoint of one party to the transaction and something else from the other. So viewed, a single transaction where an owner of immovable property agrees to sell his land to a society may or may not constitute a business transaction depending upon whether the seller is in the business of selling property for profit - ***Bhanushali Housing Co-operative Society Ltd. (SC)***
- The purchase of property is an isolated transaction and the appellant has not carried out any business either before or thereafter. On execution of JDA, it cannot be said that the owner of land also intended to carry on business using the subject land as stock in trade since he may well have decided to part with the land for other reasons also - ***Devineni Avinash (AP HC)***

# VALUATION OF DEVELOPMENT RIGHTS

- The selling rate for a customer is to be identified as a tool for valuation.
  - Can it be applied given the fact that development rights are not measured in terms of square feet.
  - Selling rate would include land and the owner is not conferring development right in respect of the retained land.
  - What the owner provides is the right to sell UDS as well as the right to develop .
  - Computation mechanism does not exist for identification of value of development rights.
  - If computation fails, the levy has to fail – ***B.C. Srinivasa Setty (1981) 128 ITR 294.***

## GST ON DEVELOPMENT RIGHTS – OPTIONS

- No tax position
- Valuation as per the Notification
  - Computation challenges
  - Possible changes in the future
  - RCM and no ITC

## ONGOING PROJECTS – EXISTING RATES – ISSUE OF CC

- After CC, no GST
- Amendments to CGST Rules
  - The concept of exclusive usage of inputs and inputs services for taxable supplies has been negated in the context of construction of complex by taking this figure as zero
  - Thus all credits are assumed to be common
  - Carpet area of apartments that are intended to be booked after issue of CC treated as value of exempt supply and total carpet area of apartments will have to be identified for proportionate reversal of the remaining common ITC
  - Complex formulae
  - *Whether it is correct to re-examine ITC already availed and utilised and treat them as common credit?*
  - *Whether this would amount to retrospective denial of credit?*
  - *Excise scenario?*
  - *Significant impact on a progressive developer who completes construction but has huge inventory*

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# CHALLENGE – 2 – INVENTORY

Unsold Stock (Units)				QoQ	YoY
City	Q3 18-19	Q2 19-20	Q3 19-20		
MMR	271,011	291,309	293,376	1%	8%
NCR	200,090	190,047	186,734	-2%	-7%
Pune	123,066	143,410	149,039	4%	21%
Bangalore	102,443	102,433	100,255	-2%	-2%
Ahmedabad	69,340	68,402	69,812	2%	1%
Hyderabad	42,658	45,855	45,954	0%	8%
Outer MMR	52,559	53,938	55,358	3%	5%
Kolkata	60,286	56,632	56,076	-1%	-7%
Chennai	76,269	76,141	76,747	1%	1%
Vadodara	22,115	26,035	27,369	5%	24%
Surat	38,865	48,079	48,989	2%	26%
Jaipur	29,799	30,569	30,834	1%	3%
Nashik	9,242	11,425	11,566	1%	25%
Bhopal	19,377	17,853	16,813	-6%	-13%
Chandigarh	12,994	12,718	13,588	7%	5%
Other Cities	130,044	133,386	133,121	0%	2%
<b>35 Cities</b>	<b>1,260,158</b>	<b>1,308,232</b>	<b>1,315,631</b>	<b>1%</b>	<b>4%</b>

Source: Liases Foras

## CHALLENGE – 2 – INVENTORY

**Developers have locked-in capital of an estimated INR 3.7 trillion**

Cities	2019 Q4		2020 Q1		
	Unsold Inventory	YTS	Unsold Inventory	YTS	Value (INR billion)
Bengaluru	81,732	3.0	89,122	3.3	640
Chennai	32,217	2.3	32,338	2.5	222
Delhi NCR	124,720	4.6	121,800	4.4	813
Hyderabad	24,125	1.7	24,047	1.6	192
Kolkata	28,716	4.1	29,555	4.2	153
Mumbai	119,173	4.0	124,059	4.2	1,379
Pune	31,545	1.6	34,430	1.7	252
<b>India</b>	<b>442,228</b>	<b>3.2</b>	<b>455,351</b>	<b>3.3</b>	<b>3,651</b>

Note: YTS (years to sell) denotes the number of years required to offload the unsold inventory

Source: Real Estate Intelligence Service (REIS), JLL Research

## CHALLENGE – 3 - INVENTORY

- Waiting game
- Absence of rental returns
- Investment no longer attractive
- Utilities and facilities
- New projects are on hold
- Land is a big challenge
- Financial challenges on account of tax laws
  - IT Department wants notional rent
  - GST Department wants reversal of ITC
  - Complex GST structure

# INVENTORY

- Waiting game
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## OTHER ISSUES

- National Anti-Profiteering Authority
- Customer agreements
- Customers' understanding of GST
- Possible changes in future?
  - Optional GST rate with ITC
  - Merging stamp duty and registration into GST?
  - Tax on land
  - Inheritance taxes

# THANK YOU

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