

GOVERNMENT OF ODISHA
REVENUE AND DISASTER MANAGEMENT DEPARTMENT

No.RDM-Reg-REGN-0039-2021-24137 /R&DM Dated 13 AUG 2021

From

Smt. Susamarani Devi, OAS (SS),
Special Secretary to Government

To

The Inspector General of Registration,
Odisha, Cuttack

Sub: Revised guidelines on the valuation of buildings / superstructures as set forth in the instrument for registration.

Sir,

I am directed to invite a reference to the above noted subject and to say that the guidelines on the valuation of buildings and superstructures have been last prescribed in this Department letter No.13656/R&DM dated 10.05.2019 wherein the Government have been pleased to direct that all the registering offices should follow the revised plinth area cost and other extra cost towards fittings and fixtures along with 12% GST, as communicated by Chief Engineer (Buildings), Odisha to check the valuation of buildings/ superstructures set forth in the instrument presented for registration. In the meantime, representations have been received against the GST component of valuation contained in the said guidelines.

In order to address the issue and to ascertain the legal position, Finance Department was requested to offer their considered views or issue elaborate guidelines on charging of GST during the valuation of buildings by Registering Officers as set forth in the instrument for registration.

In response, Finance Department furnished the views that as per Para (5) of Schedule III of CGST/OGST Act, GST is not applicable on sale of completed building, if the entire consideration amount of the building has been received / paid after issuance of the completion certificate by the competent authority or after its first occupation, whichever is earlier. It is neither a supply of goods nor a supply of service and hence it is kept out of the purview of GST. But, GST is payable at an appropriate rate on the construction of a complex, building, civil structure intended for sale to a buyer under a contract as it is considered as a taxable service, if any consideration is received / paid before issuance of completion certificate. The rates of GST on such construction services have been specified in Sl. No.3 under the description of Construction Services (9954) of the CBIC Notification No.11/2017-Central Tax(Rate) dated 28.06.2017 and the matching

State Tax Notification issued by Finance Department vide SRO No.305/2017 dated 29.06.2017 as amended from time to time.

It is mandatory for the promoters/builders supplying taxable services of construction of buildings/flats/complexes, to issue a tax invoice to the customers/buyers charging GST at the rate applicable for the said class of building. Moreover, for the purpose of valuation of construction services, 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, in such supply. 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.

From the above observations, it is clear that for application of GST, the buildings are broadly divided into two categories i.e. (1) completed buildings (considered as immovable property) which is sold to a purchaser without prior agreement and (2) under construction buildings intended for sale to a buyer under a contract (considered as a taxable service).

Basing on the clarifications / instructions received from Finance Department, the Government have been pleased to modify the guidelines in respect of addition of GST with the cost of the building calculated on the basis of prescribed rates of different items to arrive at the total valuation of buildings / flats /complexes at the stage of registration for the purpose of levy of Stamp Duty and Registration Fees. Henceforth, the total valuation of different classes of buildings, for the purpose of registration, will be determined in the following manner.

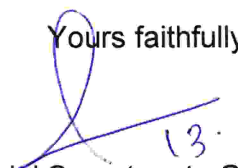
Sl. No.	Class of Buildings	Documents to be verified	Components for determination of valuation for registration
1.	Sale of the completed building, if the entire consideration amount of the building has been received/paid after issuance of the completion certificate by the competent authority or after its first occupation whichever is earlier.		

Sl. No.	Class of Buildings	Documents to be verified	Components for determination of valuation for registration
	(Considered as sale of immovable property) which is divided into four categories		
	a) Subsequent sale of old flats by the registered owner previously purchased from the Builder / Promoter	Copy of sale deed	Cost of building calculated as per rate per sqft on floor status with prescribed percentage of civil cost towards EI & PH fittings as well as external PH fittings and extra cost towards additional item utilized in the flooring with permissible depreciation as communicated in the Guidelines vide L. No. 13656/R&DM dt. 10.05.2019 + GST nil + proportionate land cost.
	b) Subsequent sale of building by the registered owner purchased previously from the original owner constructed for self	i. Copy of sale deed ii. Copy of RoR in the name of the registered owner. iii. Copy of receipt in the name of the registered owner against payment of holding tax.	Cost of building calculated as per rate per sqft on floor status with prescribed percentage of civil cost towards EI & PH fittings as well as external PH fittings and extra cost towards additional item utilized in the flooring with permissible depreciation as communicated in the Guidelines vide Letter No. 13656/R&DM dt. 10.05.2019 + GST nil + land cost of the plot on which the building stands.
	c) First sale of the building by the owner constructed for self	i. Copy of RoR in the name of the owner of the building. ii. Copy of the plan of the building approved by the competent authority.	Cost of building calculated as per rate per sqft on floor status with prescribed percentage of civil cost towards EI & PH fittings as well as external PH fittings and extra cost towards additional item utilized in the flooring as communicated in the Guidelines vide Letter No. 13656/R&DM dt. 10.05.2019 + GST nil + land cost of the plot on which the building stands.
	d) First sale of completed flats/ complexes by the builder / promoter	i. Copy of completion certificate issued by the competent authority ii. Copy of a bipartite agreement between the builder / promoter with the land owner in confirmation of the	Cost of building calculated as per rate per sqft. on floor status with prescribed percentage of civil cost towards EI & PH fittings as well as external PH fittings and extra cost towards additional item utilized in the flooring as communicated in the Guidelines vide Letter No. 13656/R&DM dt. 10.05.2019 + GST nil + proportionate land cost

Sl. No.	Class of Buildings	Documents to be verified	Components for determination of valuation for registration
		<p>absence of any prospective buyer for whom the construction is being made.</p> <p>iii. Detail records of payment received by the builder from the purchaser in confirmation of the fact that no payment has been received prior to issue of completion certificate.</p>	
2.	First sale of flats / complexes constructed by builder/promoter intended for sale to a buyer under a contract, as it is considered as a taxable service, if any consideration is received / paid before issuance of completion certificate	<p>i. Copy of tripartite agreement among the builder/ promoter, land owner and the prospective buyer.</p> <p>ii. Copy of plan approved by the competent authority to confirm the SBA of the flat/complex proposed for sale</p> <p>iii. Copy of Tax Invoice issued by the builder / promoter.</p>	<p>Cost of building calculated as per rate per sqft on floor status with prescribed percentage of civil cost towards EI & PH fittings as well as external PH fittings and extra cost towards additional item utilized in the flooring as communicated in the Guidelines vide Letter No. 13656/R&DM dt. 10.05.2019 + GST calculated at the rate applicable for respective class of buildings as per Tax Invoice issued by the builder / promoter + proportionate land cost</p> <p>Or</p> <p>The total valuation of the building/flat/complexes with land cost including GST, as per Tax Invoice issued by the builder / promoter,</p> <p>Or</p> <p>The total valuation of the building/flat/complexes without land cost including GST, as per Tax Invoice issued by the builder / promoter + the proportionate land cost whichever is higher.</p>

Suitable instructions may please be issued to all concerned immediately for necessary action.


Yours faithfully,


13.8.21
Special Secretary to Government

Memo No. 24138 /R&DM Dated

13 AUG 2021

Copy forwarded to PS to Hon'ble Minister, Revenue & Disaster Management for kind information of Hon'ble Minister.

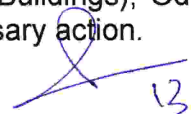

13.8.21

Special Secretary to Government

Memo No. 24139 /R&DM Dated

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Copy forwarded to Secretary, Board of Revenue, Odisha, Cuttack / DLR&S, Odisha, Cuttack/ all RDCs/ all Collectors/ Chief Engineer (Buildings), Odisha/ all ADM-cum-DRs/ all Registering Officers for information and necessary action.

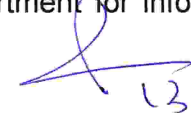

13.8.21

Special Secretary to Government

Memo No. 24140 /R&DM Dated

13 AUG 2021

Copy forwarded to Finance Department / Works Department for information and necessary action.


13.8.21

Special Secretary to Government

Memo No. 24141 /R&DM Dated

13 AUG 2021

Copy forwarded to e-Governance branch, Revenue and DM Department with a request to upload the same in the Department website.


13.8.21

Special Secretary to Government

