



## **GST High Court Update**

## Gujarat High Court in case of Munjaal Bhatt v. Union of India – [ R/SCA/1350/2021]

- In case of builder/ developer, the Government has granted fixed 1/3<sup>rd</sup> land deduction from taxable value towards value of land.
- Thus while levying GST to its customers, builder use to claim standard 1/3<sup>rd</sup> deduction and levy GST at applicable rate on balance portion.
- The 1/3<sup>rd</sup> land abatement is provided under GST Law irrespective of location, type, quality and other characteristics of the land.
- The Gujarat High Court in captioned case has upheld that Deeming fiction of 1/3 value of land or undivided share in land as per para 2 of impugned notification would not be mandatory and would be available at the option of taxable person
- The HC has held that if the value of land or undivided share in land would not be ascertainable, then this deeming fiction of 1/3<sup>rd</sup> value of land can be taken and that too at the option of the taxable person.

# THANK YOU

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