

Seven-member panel formed to consider GST rate cut on under-construction properties

A decision on this expected in the next GST council meeting.

Ankit Sharma | ETRealty | Updated: January 11, 2019, 08:16 IST

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NEW DELHI: The [GST council](#) on Thursday formed a seven-member ministerial panel to examine the proposal of giving a composition scheme to boost the residential segment of the real estate sector.

The meeting was chaired by finance minister [Arun Jaitley](#) and his state counterparts. A decision on this expected in the next [GST](#) council meeting.

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Niranjan Hiranandani, president, NAREDCO said, "Real estate and its stakeholders will wait for the review panel to consider the issue. We hope it will be a positive recommendation on the topic and hope for quick implementation of the same."

[GST on under-construction properties](#) was a severe hurdle in 2018, and the possibility of a possible GST rate cut in late December literally froze property buying decisions for many. However, there was a high possibility that it could deliver a major setback to the affordable housing segment. In fact, lower GST rates minus ITC could increase the prices of budget homes," said Anuj Puri, chairman, ANAROCK Property Consultants.

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Currently, the GST is levied at 12 per cent on payments made for under-construction property or ready-to-move-in flats where completion certificate has not been issued.

However, GST is not levied on properties for which completion certificate has been issued.

Mahesh Jaising, partner, Deloitte India said, "While the entire [industry](#) is watching this closely, rate rationalization on cement is also linked to overall real estate industry taxation and will also be something to look out for if the council does take it up."

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