DECODING GST ON REAL ESTATE

August 2026

CA. Amish Khandhar
CA. Rashmin Vaja

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Note from Publisher :
With multiple laws and complex compliance requirements, one has to keep referring to several publications and websites. This book is an attempt to bring several areas of legal compliance at a single place in a very simple and easy manner. We are sure our readers will benefit from this useful compilation.

We welcome your comments at **amish@kmsindia.in | rashmin@kmsindia.in**
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सर्वेषामेव दानानां ब्रह्मादानं विशिष्यते ।
वार्यन्नगोमहीवासस्तिलकाञ्चनसर्पिषाम् ।।
-मनुस्मृति (4.233)

संसार में जितने दान हैं अर्थात् जल, अन्न, गौ, पृथ्वी, वस्त्र, तिल, सुवर्ण और घृतादि इन सब दानों से वेदविद्या का दान अतिश्रेष्ठ है। इसलिये जितना बन सके उतना प्रयत्न तन, मन, धन से विद्या की वृद्धि में किया करें ।

PREFACE

The Real Estate Sector in India has always played a fundamental role in driving economic growth and with the introduction of Goods and Services Tax (GST), the taxation landscape for the industry has undergone a significant transformation.

The sector currently contributes approximately 7.3% to India's GDP and importantly, is the second-largest employment generator in the country after agriculture; accounting for nearly 18% of national employment. One of the key aspects of this transformation has been the treatment of "Construction Services & Works Contracts," which involve the supply of goods and services for the construction, repair and maintenance of immovable property. Since the advent of GST, the implications on transactions such as sale, resale, lease, tenancy and development agreements have continued to evolve due to legislative amendments and judicial pronouncements.

In the evolving GST landscape, key judgments such as Safari Retreats on ITC, Munjal Bhatt on land value of Plotting Scheme, Puranik Builders on other charges, GCCI on GIDC Plots on lease and Prahitha Constructions on TDR have played an important role in shaping the interpretation of GST provisions.

Building on these developments, **GST 2.0** introduced further rate rationalisation, including the removal of 12% and 28% tax slabs. A notable relief for the construction industry has been the reduction of GST on cement from 28% to 18%. However, issues relating to Transfer of Development Rights (TDR), lease transactions and ITC eligibility continue to persist.

This book has been written with the objective of simplifying the complexities of GST law as it applies to the Real Estate Sector. Through clear explanations, tabular presentations and comparative charts, it provides an easy-to-understand analysis of GST implications on construction services, works contracts, development agreements, plotting and allied activities, assisting stakeholders in achieving better compliance, informed decision-making and improved operational efficiency.

We are grateful to our parents, family members, KMS Partners and the entire GST Team for their wholehearted support in bringing this insightful publication.

Finally, we thank the real estate fraternity and our clients, whose complex challenges provided the momentum for this research.

We welcome suggestions from readers.

CA. Amish Khandhar
CA. Rashmin Vaja

M/s. Khandhar Mehta & Shah (KMS)
Ahmedabad

Date - 1st August, 2026

WITH DEEP GRATITUDE

As we present the first edition of **"Decoding GST on Real Estate"**, we bow our heads in devotion to **Lord Mahavir,** whose teachings of truth and karma continue to guide us. This book is a humble effort to bring clarity to a complex subject, inspired by the principles of accuracy and integrity.

Our Foundations

To our parents, words are not enough to express our gratitude. You have been our first teachers and our constant support. Whatever we achieve is a reflection of your sacrifices, blessings and the values you have given us. We dedicate this work to you.

The KMS Pillars

We would like to express our sincere thanks to our fellow partners at Khandhar Mehta & Shah (KMS). Your encouragement, guidance and shared commitment to excellence have made this project possible. Your discussions and support have helped shape many of the ideas in this book.

Our Team

To our relentless Team Members, you are the true architects of this book. From the late-night research sessions to the meticulous proofreading and technical drafting, your dedication has been extraordinary. This work truly belongs to all of us.

Our Legacy: The Alumni

We also thank our alumni with great appreciation. The knowledge, culture and values built by those who were part of KMS before us continue to inspire our work today. You remain an important part of our professional family.

Our Contributors

Our sincere thanks to CA. Jitendra Chopra, CA. Nency Shah and Shri Bhupendra Rathod for their valuable technical contributions. We are also grateful to Pinakin M. Modi and Pratiksha Printers for their support in bringing this book into print.

With deep respect and gratitude.

CA. Amish Khandhar
CA. Rashmin Vaja

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