

C I R C U L A R

July 10, 2017

GST effective July 1, 2017

Dear Customer,

As you are aware that the Government of India has implemented the Goods and Services Tax (GST) effective July 1, 2017.

Consequently, service tax on Price Consideration of Apartments/ Houses (construction services) applicable at the rate of 15% (including Cess) has been replaced by GST where the applicable rate is 18%. However, the effective rate of GST shall be 12% after deduction of value of land deemed to be 1/3rd of the total consideration, as per Notification No.11/2007 – Central Tax (Rate) dated 28th June '2017, as against the earlier effective Service Tax rate of 4.50% , after abatement of 70 % prescribed under the Service Tax Act / Rules .

To summarise , the effective rate of GST on the amount of demands to be raised w.e.f. 01-07-2017 will be as below :

1. General Rate	18 %
2. Less : Abatement	33.33 %
3. Effective Rate	12 %

Please note that Service Tax on Maintenance charges, Social club subscription and Social club membership fees which was applicable @ 15% has also been replaced with GST and the prescribed rate is 18%. Moreover, interest paid on overdues shall also attract GST @ 18% w.e.f. 01.07.2017.

Thanking you,

(CRC Department) JAIPRAKASH ASSOCIATES LIMITED