



JUDGEMENT

GST Demand on TDR Sale Stayed; Transfer Held to Be Part of Immovable Property, Not Supply of Service.

Issued By:	Gujarat High Court
In Case Of:	Safal Construction (India) Pvt Ltd
Order No:	SCA 7768 of 2025
Order Date:	19 th June 2025

FACTS & OBSERVATIONS

- Petitioner was granted approval for a Slum Rehabilitation Scheme by the State Government and AMC in 2012 under the 2010 Policy framework.
- Entitlement to utilize Floor Space Index (FSI) was derived from the General Development Control Regulations (GDCR) and the Rehabilitation Policy.
- Clause 12.6.4.3 of the policy permits Transferable Development Rights (TDR) to be utilized on non-slum plots, proportionate to Jantri values.
- Petitioner contended that the sale of TDR is a transfer of immovable property arising from statutory rights, not a taxable supply under GST.

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- The petitioner submitted that the TDR is intrinsically linked to land rights and partakes the character of immovable property.
- And therefore argued that the TDR does not constitute 'supply of service' under Section 7 of the CGST Act, 2017.
- The Court restrained GST authorities from initiating coercive recovery proceedings in respect of TDR transactions during the pendency of the writ petition.
- Notice issued to the respondents, returnable on 30th July 2025; interim protection granted to the petitioner till further orders.

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