

GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	
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ADVANCE RULING NO. GUJ/GAAR/R/2025/42
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2024/AR/36)

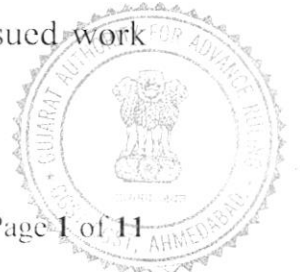
Date: 09 / 10/2025

Name and address of the applicant	:	M/s. RDB Realty & Infrastructure Limited, [now known as RDB Infrastructure & Power Limited] 1 st Floor, Regent Square, Gangeshwar Mahadev Road, Near Suryodaya Tower, Surat, Gujarat-395009
GSTIN of the applicant	:	24AADCR8845C1ZF
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-30, Range-8, Division-4, Mehsana.
Date of application	:	13.12.2024
Clause(s) of Section 97(2) of CGST/IGST Act, 2017, under which the question(s) raised.	:	(a), (b)
Date of Personal Hearing	:	19.08.2025, 29.07.2025, 08.04.2025
Present for the applicant	:	Shri Hardik Shah, CA

Brief facts:

M/s. RDB Realty & Infrastructure Limited, 1st Floor, Regent Square, Gangeshwar Mahadev Road, Near Suryodaya Tower, Surat, Gujarat-395009 [for short – ‘applicant’] is registered under GST and their GSTIN is 24AADCR8845C1ZF.

2. The applicant is a company headquartered in Kolkata with pan India presence and is a real estate company. As per the facts narrated by the applicant, pursuant to the policy of "Redevelopment of Public Housing Scheme 2016", declared by the State of Gujarat, Surat Municipal Corporation ("SMC" for sake of brevity) decided to redevelop the Public Housing Scheme of "Aanjana Tenements" located on F. P. No. 98 of T. P. Scheme No. 7 (Aanjana), Surat consisting of 416 Flats and 6 Shops. SMC invited tenders from the willing developers for the redevelopment of the said scheme and the tender submitted by the applicant was accepted being the highest. SMC had recovered security deposit and issued work order on Dt. 21.8.2017



3. Under the terms of bid, the applicant is required to construct 416 Flats having 32.13 Sq. Mts. Carpet / Built Up area for original occupants of the Scheme, 6 Shops for the Shop Owners in the Scheme and additional 486 Affordable Houses having Carpet Area / Built Up area of 30.00 Sq. Mts. each and hand over the same to SMC for being allotted to lower income group aspirants. Under the said plans, against the applicant performing its part of construction, the public housing component, land admeasuring 10667.52 Sq. Mts. (hereinafter referred to as "Free Sale Land") is leased out to the applicant with rights to develop commercially. By indenture of Lease (hereinafter called Principal Lease) Dt. 18.4.2024, registered in the office of Sub Registrar, Surat – 5, Althan, SMC has granted lease rights over the said Free Sale Land in favour of the applicant for a period of 99 years commencing on the date mentioned therein on the terms and conditions recorded therein. Under the said terms, the applicant is also at liberty to construct and sell on ownership basis the super structures developed thereon and also to grant sub-lease of the said land for development in favour of third parties with similar rights.

4. The applicant decided to transfer its rights of the Free Sale Land in favour of M/s. Samprati Buildcon Pvt. Ltd. (GSTIN: 24ABACS1127J1ZN) by way of Slump Sale or such other manner as may be permissible under the terms of Principal Lease, Tender Agreement and other ancillary agreements by and between the applicant/ SMC / Tenement Owners Association. M/s. Samprati Buildcon Pvt. Ltd. has now requested to acquire the said Free Sale Land for the unexpired term of Principal Lease Deed subject to the covenants, terms and conditions herein mentioned, which the applicant has agreed to grant in the manner specified in the “Unsigned & Draft Copy of Sub Lease Agreement” and “Unsigned and Draft Copy of Slump Sale Agreement”.

5. In view of the above facts, the applicant has sought an advance ruling on the following questions: -

(1) Whether the Sale of Specific Unit of Construction Site (All Assets & Liability pertaining to that Project will be transferred) at Surat as discussed in the Application, will be classified as “Slump Sale”?

(2) Whether the Supply made as “Going Concern” by way of “Slump Sale” will be classified under SAC 997119?



(3) If the answer to Question No. 2 mentioned above is yes, then whether the Applicant is eligible for Exemption under Notification No. 12 / 2017 – CT (Rate) Dt. 28.06.2024 under the Entry No. (2)?

6. The applicant has further submitted as under, their interpretation of law in the matter:-

(i) Slump Sale has not been defined under either CGST Act, GGST Act or IGST Act. It simply means in layman language a “Transfer of a Business as a Going Concern” to cover all the transactions of business transfer. Slump Sale is one of the methods of business restructuring. Under this method, certain assets and liabilities are sold together for a lump sum sale consideration without determining the individual values of assets and liabilities sold.

(ii) Going Concern is an “Accounting Term” for a company that has the resources needed to continue operating indefinitely until it provides evidence to the contrary. This term also refers to a company's ability to make enough money to stay afloat or to avoid bankruptcy. If a business is not a going concern, it means it's gone bankrupt and its assets were liquidated.

(iii) As per Section 50B of the Income Tax Act, 1961, Slump Sale refers to the transfer of a whole or part of a business as a Going Concern, where all Assets and Liabilities are transferred for a Lumpsum consideration without individual valuation. Under GST law, as discussed hereinabove, the concept of a “Slump Sale” is not explicitly defined and hence the general meaning prevailing in the trade parlance have to be adopted which have been discussed hereinabove.

(iv) The transaction will be considered as “Slump Sale” if they meet the following criteria:-

- (a) Such transfer of a “Business Unit” should be on a going concern basis;
- (b) The Business can be capable of running Independently;
- (c) All Assets and Liabilities related to that unit should be transferred;
- (d) Values should not be assigned individually to “Asset”.



(v) Going Concern is an “Accounting Term” for a company that has the resources needed to continue operating indefinitely until it provides evidence to the contrary. This term also refers to a company's ability to make enough money to stay afloat or to avoid bankruptcy. If a business is not a going concern, it means it's gone bankrupt and its assets were liquidated.

(vi) From the Unsigned and Draft Copy of Slump Sale Agreement and the Provisional Balance Sheet, it is observed that that all four conditions have been fulfilled in the transaction as discussed hereunder:-

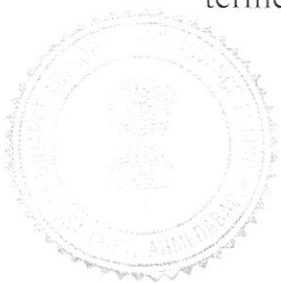
(a) The Slump Sale Agreement has specific mention of Transfer of Project of “Anjana Tenements” only i.e. “Business Unit” ;

(b) The applicant is a Listed Company having many ongoing project on their hand, out of which only one project “Anjana Tenements, Surat” is intended to be transferred, which is located in Surat and there will not be any impact of this transfer on any other projects undertaken or to be undertaken by the applicant. Hence, it can be reasonably concluded that the said “Anjana Tenements” Project is capable of running independently;

(c) As clearly mentioned in the Unsigned and Draft Copy of Slump Sale Agreement that all the assets along with the liabilities related to “Anjana Tenements” Project will be transferred to the M/s. Samprati Buildcon Pvt. Ltd. and hence this condition is also stands fulfilled.

(d) It is evident from the Unsigned and Draft Copy of Slump Sale Agreement that the word used for consideration is “Lumpsum Payment” and hence it is reasonably concluded that there is no individual price fixed for any assets but they have decided the consideration in Lumpsum for whole Project.

(vii) Schedule II of the CGST Act, 2017 talks about activities that are treated as a Supply of Goods or Services. Clause 4 says that “Transfer of Business Assets is considered as Supply of Goods”. However, as per Clause 4 (c) “Transfer of a Business as a whole and as a Going Concern is not considered as a Supply of Goods”. It is, therefore, evident that the “Slump Sale” would be termed as “Supply of Services” being Transaction is “Financial Service”.



(viii) The said service will be covered under SAC 997119, with GST Rate of 18%, in terms of Entry No. 15 (vii) of Notification No. 11 / 2017 - CT (Rate), Dt. 28-6-2017. Further, by way of Notification No. 12/2017-CT(R) dtd. 28.06.2017, "Transfer of a Business as a Going Concern is exempt from GST".

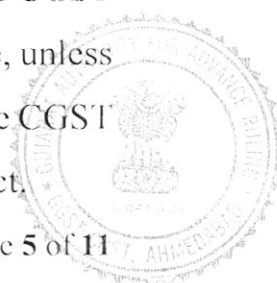
(ix) The applicant has relied upon various judgements of the Advance Ruling Authority with regard to a slump sale under GST as under:-

- (a) *Airports Authority of India reported in 2023 (76) GSTL 391 (AAR - GST - Raj.)*
- (b) *Pico2femto Semiconductor Services Pvt. Ltd. reported in 2023 (73) GSTL 281 (AAR - GST - Kar.)*
- (c) *Rajshri Foods Private Limited - KAR ADRG 06 / 2018 dtd. 23.04.2018*

7. Personal hearing was granted on 08.04.2025 wherein Shri Hardik P Shah, CA appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application. He stated that they have already completed construction of 416 flats. He also submitted that they would provide a copy of their having completed the aforesaid work to the registry. A subsequent hearing was held on 29.07.2025, wherein the applicant sought adjournment. However, the Revenue represented by Shri P.I. Modi, STO-4, U-30, Mehsana submitted a letter dtd. 03.04.2025, wherein it has been submitted that as the Draft copy of the deed has only been submitted by the applicant and the agreement copy has not been provided, this should be treated as 'proposed activity' instead on an 'ongoing activity'. Further, the AAR in the case of *M/s Innovative Textiles Ltd.*, has held that '*there must not be a series of immediately consecutive transfers*' which does not appear to be in this case. Thus, it should not be considered as an 'ongoing concern' by way of 'Slump Sale'. A further hearing was held on 19.08.2025, wherein Shri Hardik P Shah, CA appeared and argued the matter. He also submitted that he would be submitting all the agreements made with Samprati Buildcon Pvt. Ltd, Balance Sheet of Samprati as well as other related documents within a week. Vide email dtd. 01.09.2025, the applicant has forwarded a copy of its unaudited financial results for the period ended 19.08.2025.

Discussion and findings

8. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same, except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

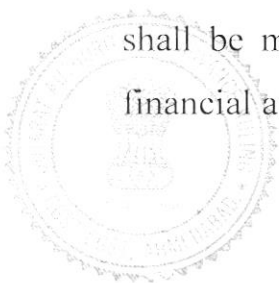


9. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made both oral and written during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

10. We find that the applicant had won a tender floated by SMC to redevelop the Public Housing Scheme of 'Anjana Tenements'. As per the terms of the Tripartite Agreement dtd. 25.03.2023, entered into between the SMC, the applicant and the President of Anjana Tenement Association, the Scheme Area has been divided into three parcels, as under:-

- (a) Parcel 'A' is the land to be utilised for redevelopment of Existing Public Housing Scheme Component (PHC)
- (b) Parcel 'B' is the land to be utilised for creation of Additional Affordable Housing Stock Component (AHC).
- (c) Parcel 'C' is the land, whatever available after redevelopment of PHC and creation of AHC for free sale component, which would be offered to the applicant for free sale development.

The applicant was required to construct 416 Dwelling units and 6 shops under Parcel-A (PHC component), 486 Dwelling units affordable houses under Parcel-B (AHC component). Development of free sale component will be allowed after 100% completion of RCC Frame Structure work of PHC component or 50% completion of RCC Frame Structure work for PHC component and AHC component. Further, as per the terms of the agreement, the applicant is mandated to provide transit accommodation at its own cost to the existing/authorised and recognised inhabitants, till completion and handing over of new units. The expenditure on all internal developments works for civic and social infrastructure like internal roads, footpaths, complete water supply including overhead or surface water reservoir/distribution lines, Electricity distribution lines, gas distribution network, transformers etc, internal sewerage, drainage etc will be borne by the applicant. Operation and maintenance for redeveloped and affordable housing will be by the applicant for first 7 years from the date of obtaining BU permission. The defect liability period for the structural stability will be for 10 years. The funding for the redevelopment project shall be managed by the applicant from its own resources or through loans or financial assistance at its cost and risk. The applicant shall have to comply with the



time schedule, failing which he shall be penalised. The applicant shall obtain 'Contractors all risk policy' and 'Workman Compensation Policy' which will be under the joint name of the SMC and the applicant. If the applicant fails to fulfil any of the conditions of the agreement, the SMC can take legal action against the applicant.

11. A Deed of Lease (referred to as the Principal Lease) dtd. 18.04.2024 was also entered into between the SMC, the applicant and the President of Anjana Tenement Association **for the Lease Deed of Parcel C**. As per this deed, the Scheme area for the three components i.e. PHC, AHC and Free sale are as under:-

Parcel A: 3,990.27 Sq. mt

Parcel B: 2,579.21 Sq. mt

Parcel C: 10,667.52 Sq. mt

The free sale land was leased to the applicant for a term of 99 years at an annual lease rent of Rs. 1/- per sq. mt. All the three parcels were to be considered as one plot for the purpose of considering FSI/TDR and only Parcel C of the plot is considered for the purpose of lease agreement.

12. The applicant now wants to transfer its right of Parcel C of the plot by way of slump sale as may be permissible under the terms of the Principal Lease, Tender agreement and other ancillary agreements by and between the applicant, SMC and the Tenement Owners Association. The applicant has also submitted a copy of the Notice of Extra-Ordinary General Meeting dtd. 06.03.2025, wherein approval was sought from the members of the applicant's firm for the sale of Parcel C held on lease, as a going concern on slump sale basis, to M/s. Samprati Buildcon Pvt. Ltd., for a lumpsum consideration of Rs. 60 crores. A letter dtd. 04.03.2025 addressed to the Bombay Stock Exchange and the Calcutta Stock exchange has also been submitted, wherein the decision of the Board of Director of the applicant firm, to sell Parcel C, held on lease, as a going concern on slump sale basis to M/s. Samprati Buildcon Pvt. Ltd. has been communicated. Further, a draft 'Deed of Agreement of Slump Sale' to be executed between the applicant and M/s Samprati Buildcon Pvt. Ltd., has also been submitted.

13. The first question raised by the applicant is whether the sale of Specific Unit of Construction Site (all Assets & Liability pertaining to that Project will be transferred) at Surat, as discussed in their application, will be classified as "Slump



Sale”. We find that there is no definition of slump sale in the GST Act. It is purely a tax concept found in the Income Tax Act, 1961. The Income Tax Act defines ‘Slump Sale’ as under:-

“Transfer of one or more undertakings, by any means, for a lump sum consideration without values being assigned to the individual assets and liabilities in such sales.”

Since, there is no concept or definition of slump sale provided in the GST Act, we refrain from answering the question as to whether the sale in question would be classified as ‘slump sale’. However, we feel that the transaction in question would fall under transfer of a business, which has tax implications in GST. We find that in GST ‘Services by way of transfer of a going concern, as a whole or an independent part, thereof’ fall under ‘Services’, as per Sl No. 2 of the table to the Notification No. 12/2017- Central Tax (Rate) dated 28th June 2017, which is reproduced below:

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Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017

In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the intra-State supply of services of description as specified in column (3) of the Table below from so much of the central tax leviable thereon under sub-section (1) of section 9 of the said Act, as is in excess of the said tax calculated at the rate as specified in the corresponding entry in column (4) of the said Table, unless specified otherwise, subject to the relevant conditions as specified in the corresponding entry in column (5) of the said Table, namely:-

TABLE

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
2	Chapter 99	Services by way of transfer of a going concern, as a whole or an independent part thereof.	Nil	Nil

It also emerges from the Notification that a transfer of a going concern, as a whole or an independent part, thereof is exempted. A ‘going concern’ has not been defined in the GST Act, 2017. However, as understood, when a business is sold as a going

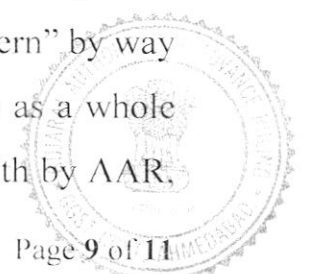


concern, it involves transfer of assets as well as liabilities. We find that the AAR in *Re: Innovative Textiles Ltd.* [2019 (24) G.S.T.L. 480 (A.A.R. - GST)] has relied on the internationally accepted guidelines issued by His Majesty's Revenue & Customs (HRMC) to treat transfer of business as a going concern, which are as under:-

- (a) The assets must be sold as part of a 'business' as a 'going concern'*
- (b) The purchaser intends to use the assets to carry on the same kind of business as the seller*
- (c) Where only part of a business is sold it must be capable of separate operation.*
- (d) There must not be a series of immediately consecutive transfers.*

14. We find that the applicant intends to transfer his specific unit of construction site at Surat i.e the Anjana Tenement Project, as a going concern, (along with all assets and liabilities) to M/s. Samprati Buildcon Pvt. Ltd., in support of which they have submitted the copy of the Notice of Extra-Ordinary General Meeting dtd. 06.03.2025, letters dtd. 04.03.2025 addressed to the Bombay Stock Exchange and the Calcutta Stock exchange and a draft copy of the "Deed of Agreement of Slump Sale". The total consideration for the transfer has been fixed as Rs. 60 crore. We also find the applicant has submitted copies of the resolution dtd. 16.03.2024 passed by the Board of Directors of M/s. Samprati Buildcon Pvt. Ltd. (the purchaser) authorising any one Director to start working on to redevelop the public housing scheme of 'Anjana Tenements'. We also find that this part of the vertical is capable of separate operation as a stand-alone project of the applicant. From the facts disclosed by the applicant, we have also not come across any immediate consecutive transfers, as this is the first transfer of the project by the applicant to M/s. Samprati Buildcon Pvt. Ltd. We find that Notification No. 12/2017-Central Tax (Rate) dated 28th June 2017, exempts transfer of a going concern, as a whole or **an independent part** thereof. Therefore, the transfer of Specific Unit of Construction Site at Surat, along with all assets and liabilities pertaining to the project, would also be exempt in terms of Notification No. 12/2017- Central Tax (Rate) dated 28th June 2017, which answers the third question of the applicant.

15. Moving on to the second question of the applicant, wherein they have sought a ruling on the classification of the supply made as "Going Concern" by way of "Slump Sale", we find that the classification of transfer of business as a whole with all assets and liabilities of a going concern basis has been dealt with by AAR,



Karnataka in the case of *Re:Pico2femto Semiconductor Services Pvt. Ltd.* [2023 (73) G.S.T.L. 281 (A.A.R. - GST - Kar.)]. The same is reproduced below:-

17. * * * *We proceed to decide the classification of the impugned supply of service. In this regard, we invite reference to the Explanatory Notes to the Scheme of Classification of Services, which has been adopted for the purposes of GST. It is observed from the said classification of services that SAC 9971 covers Financial services and related services and SAC 99711 covers Financial services (except investment banking, insurance services and pension services) and SAC 9971 19 Other financial services (except investment banking, insurance services and pension services). Thus the impugned transaction being a financial service it gets covered under SAC 9971 19. The rate of GST applicable on the impugned transaction is 18%, in terms of Entry No. 15(vii) of the Notification No. 11/2017-Central Tax (Rate) dated 28-6-2017, as amended.*

Therefore, supply by way of a transfer of a “going concern” would fall under SAC 997119, which attracts GST of 18%. However, as discussed earlier, in view of Notification No. 12/2017- Central Tax (Rate) dated 28th June 2017, the said supply is exempt from GST.

16. Having said thus, we wish to discuss a few more aspects of the agreement for slump sale to be entered into by the applicant with M/s. Samprati Buildcon Pvt. Ltd. From the facts as well as from the documents submitted by the applicant, we find that the work order for the Anjana Tenement Project was given by the SMC on 21.08.2017. As per the terms of the work order, the project has to be completed within three years from the date of issue of this work order. The applicant has also given a surety to the SMC that the work would be completed within the time frame, as per the terms and conditions specified in the Tender. In the event of the applicant failing to execute the work as per the approved terms, conditions and specifications of the contract, the applicant would be liable for penalty as per the Tender conditions and the SMC shall be free to carry out the remaining work at the risk and cost of the applicant. Further, as mentioned supra, the agreement for the project is a tripartite agreement dtd. 25.03.2023 between the applicant, SMC and Anjana Tenements Association. We have already discussed the terms of the agreement in Para 10, supra. The Principal Lease dtd. 18.04.2024 is also between these three entities. Therefore, apart from the applicant, there are two more stake holders in the project namely, the SMC and Anjana Tenements Association and there are various issues at stake for these stake holders, as seen from the agreements entered between the three parties. However, the applicant has not submitted any ‘no objection’ from these stake holders for the slump sale. We are also not aware whether these stakeholders have



been kept in the loop. Though we do not intend to go into the legality of the agreement entered into/to be entered by the applicant with M/s. Samprati Buildcon Pvt. Ltd., we feel that our ruling should be contingent to the fact that the agreement/contract of sale is legally sustainable in the court of law.

17. In view of the foregoing, we rule as under: -

RULING

Q.1 Whether the Sale of Specific Unit of Construction Site (All Assets & Liability pertaining to that Project will be transferred) at Surat as discussed in the Application, will be classified as "Slump Sale" ?

A.1 Not answered.

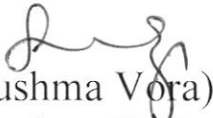
Q.2 Whether the Supply made as "Going Concern" by way of "Slump Sale" will be classified under SAC 997119 ?

A.2 Supply made as "Going Concern" will be classified under SAC 997119.

Q.3 If the answer to Question No. 2 mentioned above is yes, then whether the Applicant is eligible for Exemption under Notification No. 12 / 2017 – CT (Rate) Dt. 28.06.2024 under the Entry No. (2) ?

A.3 Applicant is eligible for exemption under Notification No. 12 / 2017 – CT (Rate) Dt. 28.06.2024 under the Entry No. (2).

The ruling is subject to the condition that the agreement/contract of sale between the applicant and M/s. Samprati Buildcon Pvt. Ltd. is legally sustainable in the court of law.


(Sushma Vora)
Member (SGST)




(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date: 09.10.2025