



1<sup>st</sup> July 2016

## Clarification on Service Tax Queries

This is with reference to some articles that recently appeared in the press relating to the judgement of the Hon'ble High Court of Delhi in case titled "**Suresh Kumar Bansal v/s Union of India and Ors.**" (W.P. (C) 2235/2011 regarding the constitutional validity and imposition of service tax on various real estate transactions.

To answer various queries raised by our valued customers, we would like to say that in our understanding, based on information received by us, the decision in the said case would not be directly applicable in the State of Haryana. This is for the reason that in the State of Haryana, the jurisdictional High Court i.e. Punjab & Haryana High Court has upheld the constitutional validity and imposition of service tax on such transactions, in the case of **G.S. Promoters vs. UOI**, reported at 2011 (21) STR 100 (P&H).

We have also been informed that even otherwise, the judgement will have limited applicability to the existing service tax regime in the jurisdiction of Delhi. Further, refund, if any, will have to be claimed from the Government and not from any builder.

We would advise our customers to consult their own tax advisors for appropriate advice, since we cannot provide any tax opinion.