

HC: No Double GST on Landowner under Joint Development Agreement

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REFER THE DECISION OF THE HON'BLE KARNATAKA COURT IN THE CASE OF

Shyamaraju and Co. (India) Pvt. Ltd. vs. Deputy Commissioner of commercial Taxes (Audit) Bangalore Citation: (2025) 33 Centax 223 (Kar.)

FACTS:

A landowner entered into a Joint Development Agreement (JDA) with a builder/developer.

As per the agreement, the developer would construct apartments and share some flats with the landowner as consideration for the land.

The developer paid GST on the entire project, including both his share and the landowner's share.

Later, the tax department demanded additional GST from the landowner, arguing that the JDA was not registered and so the landowner could not escape tax liability.

Hon'ble High Court Judgement:

The High Court rejected the department's demand.

It held that:

Since GST had already been paid by the developer on the entire property, asking the landowner to pay again would mean double taxation.

The technical issue of the JDA not being registered could not override the fact that tax was already collected once.

Therefore, no fresh GST demand could be raised on the landowner.