MAHARASHTRA AUTHORITY FOR ADVANCE RULING

GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.

(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

Smt. P. Vinitha Sekhar, Addl. Commissioner of Central Tax, (Member) Shri. A. A. Chahure, Joint Commissioner of State Tax, (Member)

	27AAACS6994C125		
Legal Name of Applicant	Shapoorji Pallonji and Company Private Limited		
Registered Address/Address provided while obtaining user id	Shapoorji Pallonji and Company Private Limited Shop No. 11, Central Tax Team, SP Centre, 41/44 Minoo Desai Marg, Colaba, Mumbai-400005		
Details of application	GST-ARA, Application No. 28 Dated 19.07.2019		
Concerned officer	MUM-VAT-E-621, MUMBAI-LTU-2		
Nature of activity(s) (proposed/present) in respect of which advance ruling sought			
A Category	Service provision, Works Contract		
A Category B Description (in brief)	Eligibility of the Applicant being the Contractor to claim. benefit of concessional rate of GST under Entry (v)(da) of Notification No. 11/2017-C.T(Rate)- dt. 28.06.2017 read with Notification No.01/2018-C.T. (Rate) dt. 25.01.2018		
Issues on which advance ruling required	 (i) Classification of goods and/or services or both (ii) Applicability of a notification issued under the provisions of the Act (v) Determination of the liability to pay tax on any goods or services or both 		
Question(s) on which advance ruling is required	As reproduced in para 01 of the Proceedings below.		

PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by **M/s. Shapoorji Pallonji and Company Private Limited**, the applicant, seeking an advance ruling in respect of the following questions.

- Whether the Applicant, being the Contractor at Joyville, Virar, will be eligible for concessional rate of Goods and Service under Entry (v) (da) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No.01/2018-Central Tax (Rate) with effect from 25.01.2018 and discharge Goods and Services Tax at the rate of 12%?
- 2. Whether the building completion and finishing services be regarded as a separate service or would it be a composite supply of works contract service as covered under entry V(da) of Notification No. 11/2017 to avail the benefit of reduced rate of tax?
- 3. What would be the appropriate rate of Goods and Services Tax on works contract services provided for the construction of the units and common areas and amenities on pro-rata basis which do not qualify the criteria of low cost houses'?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

FACTS AND CONTENTION - AS PER THE APPLICANT

WEWGER

2.

The submissions of the applicant made vide letter 19.07.2019 is as under:-

2.1 The present Application filed by Shapoorji Pallonji and Company Private Limited (Applicant) is in respect of the Civil Construction Contract entered into with Joyville Shapoorji and Housing Private Limited (Developer) for its ongoing project which comprises of four RERA phases having five towers under the name Joyville Virar' situated at Palghar, Vasai, Maharashtra (Project).

2.2 The Developer *vide* Term Sheet dated 16.11.2015 appointed Applicant as the Contractor for the construction. Pursuant to the entering of the term sheet, the Developer and the Applicant also propose to enter into a detailed construction contract wherein the scope of the proposed work, the timelines, the contract value and other relevant conditions were agreed to.

2.3 The Project comprises of 7 residential buildings having approximately 1360 apartments (FSI utilization of 63,166 Sq. Mtrs) of carpet area less than 60sq. mtrs except 44 apartments where RERA carpet area would be more than 60 sq. mtrs (FSI Utilization of 2,927 sq. mtrs). Construction of 5 towers is in progress and construction of remaining 2 towers would start in due course.

2.3 Applicant has stated that any 'Affordable Housing Project (AHP) which has been given infrastructure status under Notification No: 13/6/2009-INF dt. 30.03.2017 issued by Department of Economic Affairs (DEA Notification) is eligible to GST at the concessional rate of 12% under entry (v)(da) of Notification 11/2017-C.T. (Rate) dated 28.11.2017 ("Notification No. 11/2017") read with Notification 1/2018-C.T. (Rate) dated 25.01.2018 ("Notification No. 1/2018"). Further, Central Government *vide* Notification No.03/2019-C.T. (Rate) dated 29.03.2019 ("Notification No.03/2019") has inserted a clause to state that construction of an apartment in an 'ongoing project under the aforesaid Notification would be eligible to GST at a concessional rate if the promoter exercises the option to pay central tax after fulfilling the conditions mentioned therein.

2.4 Notification No. 11/2017 issued on 28.06.2017 specifies the rate of construction services. Notification No. 11/2017 was thereafter amended by Notification No.1/ 2018 with effect from 25.01.2018 and a new entry (da) under item (v) to Chapter 99 was inserted wherein specific benefit of reduced rate of GST with respect to 'low cost housing' was introduced. It read as;

SI_C	Chapter,	Description of Service	Rate	Condition
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E Someth	leading		cent.)	
18/1-	2.2	3	4	5
₩ ((leading 9954 Construction ervices)	(v) Composite supply of works contract as defined in clause (119) of Section 2 of the CGST Act, 2017, supplied by way of construction, erection, commissioning, or installation of original works pertaining to, - (da) low-cost houses up to a carpet area of 60 sq. meters per house in an affordable housing project which has been given infrastructure status vide notification of Government of India in Ministry of Finance, Department of Economic Affairs, vide F. No. 13/6/2009-INF, dated the 30th March, 2017;	6% CGST + 6% SGST	Nil

2.5 Applicant submits that dwelling units at Joyville, Virar qualifies for the benefit under Entry (v)(da) of Notification No.11/2017 as amended and that, Applicant being the Contractor as well is also eligible to the said benefit. Applicant submits that, benefit under Notification No.11/2017 does not create any embargo /restriction on the eligibility of the reduced rate of tax based on the provider of service. In other words, entry (v)(da) of Notification No, 11/2017 read with Notification No. 01/2018 is solely based on the nature of service provided & to that extent, Applicant is also eligible for the benefit of reduced rate of GST. Benefit under Entry (v)(da) of

Notification No.11/2017 is based on the nature of services & not on the basis of supplier. Applicant submits that Entry (v) provides that a concessional rate of tax shall be levied on activities by *way* of construction, erection or commissioning of various original works and that entry (v) therefore is one of wide import & only lays down the nature of the services being supplied. Thus services of a similar nature would all be classifiable under this heading irrespective of whether they are being supplied by the Developer or the contractor.

2.6 Applicant states that in an identical factual situation, the Contractor raised a similar question in the case of in Re Puranik Construction Pvt Ltd [2019-VIL-132-AAR) & sought ruling on the applicability of Entry (v)(da) to the Contractor. The Maharashtra Authority for Advance Ruling has allowed the plea of the Applicant in that case. Applicant has also placed reliance on the order passed by the Madhya Pradesh Authority for Advance Rulings, in the case of In Re. Ankit Tandon and Enterprises & Tollways Private Limited (2018-VIL-146-AAR). Applicant has also placed further reliance on the holding by the Maharashtra Authority for Advance Rulings in In Re. Shree Constructions (2018-VIL-150-AAR) which involved a similar fact scenario wherein the subcontractor was providing a composite supply of works contract in respect of original works pertaining to railways to the main contractor.

2.7 Applicant submits that services provided to Developer is of a similar nature to the service provided by Developer to customer. Construction of original works are performed by Applicant for the Developer & the property in goods i.e. materials used in the construction, gets transferred to the customer directly. Hence, Applicant submits that services provided to the Developer also fulfil the criteria of a works contract service as defined in Section 2(119) of the CGST Act.

* MEMBER

2.8 Further, the units being constructed fulfill the criteria of low cost houses" under the affordable housing scheme mentioned in Entry (v) (da) of Notification 11/2017 & since the specific entry does not create any embargo *qua* the provider of service, Applicant is also entitled to the concessional benefit of GST & should charge 12% to the Developer for the ongoing project.

2.9 Applicant has submitted that building completion and finishing services form part of the same transaction and is a composite supply of works contract services & eligible for the benefit under entry (v)(da) of Notification No. 11/2017: They have stated that in the subject case, services related to building, completion & finishing services are naturally bundled with construction contracts considering the business exigencies. Since the principal supply i.e. predominant supply is of construction of "low cost houses' in an affordable housing project, the

complete contract should be taxed as per the rate and provisions applicable to the principal supply. Accordingly, since the principal supply would be eligible for the concessional rate of tax i.e. 12% building completion and finishing services should also be taxed at reduced rate of GST.

2.9.1 Applicant further submits that the scheme of classification of services under GST regime states that Heading 9954 pertains to 'construction services', which includes various groups contained thereunder. Group heading 99547 pertains to 'building completion & finishing services' & includes services such as glazing services, plastering services, painting services, tiling, fencing & so on. Thus the supply of completion & finishing services has to be treated to be naturally bundled with other supplies in the supply of construction services. To substantiate the same, they have placed reference on the contract entered into with the Developer where the 'scope of work' clause in the construction contract is for a composite supply of various supplies, including the cupply of completion & finishing services, all pertaining to original works, & thus should qualify in

2.10 They have further queried as to what would be the appropriate rate of GST on the units & common areas and amenities on a pro rata basis at Joyville Virar which do not satisfy the criteria of low cost house'?

2.11 Applicant submits that 904 units at Joyville Virar in Phase 1, 2, 3 & 5 satisfy the criteria of low cost houses' & consequentially, benefit of reduced GST should also be available to them *qua* those 904 units. They are also seeking clarity on the appropriate rate of tax *qua* the 44 other units & common areas & amenities on pro-rata basis which do not satisfy the criteria of low cost houses".

03. CONTENTION – AS PER THE JURISIDICTIONAL OFFICER:

* MEMBER

Submissions of the jurisdictional officer made vide letter F. No. DC(E-621)/LTU-02/ARA Shapoorji/2019-20/B-102/Mumbai dated 05.11.2019, is as under:-

- 1. Term Sheet agreement between the Applicant and Joyville Shapoorji Housing Private Limited and signed by the respective Directors, nowhere mentions anything about 'Scheme of Affordable Housing'.
- Construction Contract between the developer & applicant has not yet been entered into till date. Applicant has merely submitted a draft agreement, which nowhere mentions anything in regards to 'Scheme of Affordable Housing'.
- In the subject project 95.37 % housing apartments would be of having carpet area less than 60 Sq. Mtrs in terms of FSI utilization.

- 4. As on 30/03/2017, quantum of work completed/executed & pending is not on record.
- 5. Contractor has charged GST @18% on his supply of services till date.
- 6. In respect to question no. 1 raised by the applicant, the Contractor has nothing to do with the scheme of affordable Housing. So the transaction being from B2B, no reduced rate of tax is applicable for this transaction. As per the facts of the case, applicant is not eligible to avail the benefits of concessional rate of GST under Entry (v)(da) of Notification No.11/2017-C.T.(Rate) dt. 28.06.2017 as amended. Further, the supply of service made by applicant is not to the end user customer but to the Developer. To fit into the criteria of the eligibility for the concessional rate, the transaction needs to be from supplier to the end user customer. The Developer can avail the benefit of such concessional rate as his service would fit clearly into Business-to-Consumer (B2C) supply but not the Contractor.
- 7. With respect to question no. 2, it has been submitted that applicant's construction service shall not be covered under entry (v)(da) of Notification No.11/2017.

8. In respect of question no. 3, since applicant is not eligible for concessional rate of tax, they HI be liable to GST @ 18% (CGST@9% and SGST@9%) as per entry 9954 (i).

HEARING

Standard Standard Preliminary hearing in the matter was held on 05.11.2019. Ms. Kanupriya Bhargava, Advocate and Sh. Arjyadeep Roy appeared and requested for admission of their application. Advocate and Sh. Arjyadeep Koy appeared. Jurisdictional Officer Sh. Rajesh Surve, D.C., E-621, LTU-2 also appeared.

The application was admitted and called for final hearing on 20.11.2019. Ms. Kanupriya Bhargava, Advocate and Sh. Arjyadeep Roy appeared & made both, oral & written submissions. Jurisdictional Officer Sh. Rajesh Surve, D.C., E-621, LTU-2 also appeared. We heard both the sides.

OBSERVATIONS AND FINDINGS: 05.

We have gone through the facts of the case, documents on record and submissions made 5.1 by both, the applicant as well as the jurisdictional officer.

Applicant has stated that they have entered into Civil Construction Contract, with Joyville 5.2 Shapoorji Housing Private Limited (Developer), for constructing residential apartments. Applicant has further submitted that Notification No.11/2017-C.T (Rate) dt. 28.06.2017 prescribes concessional rate of tax for certain categories of composite supplies of works contracts.

Applicant is of the opinion that the said project satisfies the condition of being an 5.3 Affordable Housing Project in terms of Entry (v) of the said Notification No. 11/2017 as amended, as they are providing works contract service in the form of construction services to the main Developer and hence they would be eligible to avail of concessional rate of GST as per the said Notification.

5.4 We observe that, the major issue before us is whether the construction services proposed to be provided by the applicant under the subject project will qualify for the reduced GST rate of 12% (6% each of CGST & SGST), as provided in Sr. No. 3 - item(v) - sub item (da) of Notification No. 01/2018-CT (Rate) dated 25.01.2018.

5.5 It is submitted that total FSI consumed in the said project is 63,166 Sq. Mtrs. out of which 95.37% sq mtrs. of FSI will be consumed for flats having carpet area below 60 sq mtrs. Therefore, the applicant is of the opinion that their project falls under the definition of "Affordable Housing" as mentioned in notification issued by Department of Economic Affairs vide F. No. 13/6/2009-INF, dated the 30th March, 2017.

5.6 As per Sr. No. 3, column 3, item (v) sub-item (da) of Notification No. 1/2018-C.T.(Rate) dated 25.01.2018, low-cost houses up to a carpet area of 60 square metres per house in an affordable housing project, which has been given infrastructure status vide notification of Department of Economic Affairs vide F. No. 13/6/2009-INF, dated the 30th March,2017 will attract tax rate of 12 % (6% each of CGST & SGST.)

This clause is applicable to applicant only if the project undertaken by them is an affordable on a project which has been given infrastructure status vide Government of India notification mentioned above.

* MEMBER

mentioned above. Department of Economic Affairs' notification dated 30.03.2017 has included Affordable Housing under the column "Infrastructure sub sector" against the category of Social and Commercial Infrastructure and has further defined "Affordable Housing" as a housing project using at least 50% of the Floor Area Ratio (FAR)/Floor Space Index (FSI) for dwelling units with carpet area of not more than 60 square meters and "Carpet Area" shall have the same meaning as assigned to it in clause (k) of section 2 of the Real Estate (Regulation and Development) Act, 2016.

5.9 One of the recommendations made by the GST Council in its 25th meeting held on 18th January 2018 at Delhi was to extend the **concessional rate of 12% (8% GST after deducting value of land) to services by way of construction of low cost houses up to a carpet area of 60 sqm** in a housing project which has been given infrastructure status under notification No. 13/06/2009 dated 30th March, 2009. The said notification of Department of Economic Affairs

provides infrastructure status to Affordable Housing. The recommendation of the Council would **extend the concessional rate to construction of flats/ houses of less than 60 sqm in projects other than the projects covered by any scheme of the Central or State Government also. The GST Council has also observed that "It may be recalled that all inputs used in and capital goods deployed for construction of flats, houses, etc. attract GST of 18% or 28%. As against this, most of the housing projects in the affordable segment in the country would now attract GST of 8% (after deducting value of land). As a result, the builder or Developer will not be required to pay GST on the construction service of flats etc. in cash but would have enough ITC (input tax credits) in his books to pay the output GST, in which case, he should not recover any GST payable on the flats from the buyers. He can recover GST from the buyers of flats only if he <u>recalibrates</u> the cost of the flat after factoring in the full ITC available in the GST regime and reduces the ex-GST price of flats." The GST Council has also mentioned that the builders/Developers are expected to follow the principles laid down under Section 171 of the GST Act (Anti-Profiteering Rules) scrupulously. 5.10 In response to a request for clarification to enable availing 8% GST on Affordable Housing**

In response to a request for clarification to enable availing 8% GST on Affordable Housing made by the builders association namely, CREDAI vide their letter no. CREDAI/MoF/2018/14 dated 19th March, 2018, the Government vide F. No. 354/52/2018-TRU, Government of India Ministry of Fmance Department of Revenue (TRU) dated 7th May, 2018 has clarified that "Low cost houses up to a carpet area of 60 square metres per house in an affordable housing project, which has been given infrastructure status under notification F. No. 13/6/2009-INF, dated the 30th March, 2017 of MOF (DEA), attract concessional GST of 8% (the value of the undivided share of

land is included in the price of the house). Whether the housing project qualifies as affordable housing project or not, shall be determined by the builder/ Developer as per the definition of affordable housing given in the above mentioned notification (i.e., affordable housing has been defined as a housing project using at least 50% of FAR/FSI for dwelling units with carpet area of not more than 60 SQM). No certificate from any authority is required."

5.11 From a reading of the above clarification, notification and the clause (da) of item (v) of Notification No. 01/2018-C.T. (Rate) and facts on record, we find that that applicant's case is covered under concessional tax rate of 12% (8% GST after deducting value of land), under Heading 9954 (Construction Services), (v) (da) of above mentioned Notification No. 11/2017, as amended, since the project undertaken by them falls under the definition of "Affordable Housing Project". The benefit of reduced rate would be available to them only in the cases of supply effected

after 25.01.2018 i.e. the date on which Notification 1/2018-Central Tax (Rate) was issued and the benefit of this reduced rate would be applicable in case of only those flats which are of carpet area upto 60 sq mtrs. In case of other flats which have carpet area more than 60 sq.mtrs. or commercial units, the applicant would be required to pay GST at normal applicable rate, since the benefit of reduced rate is available only for residential units of carpet area less that 60 sq. mts.

5.12 As decided by us, in the case of Puranik Constructions which has been referred by them, we agree with applicant's submission that entry (v) (da) of Notification 01/2018, mentioned above no-where restricts the benefit to a 'Developer' only. The Notification entry is qua the supply of service and not qua the person and therefore once a project qualifies as an Affordable Housing Project, the benefit of concessional rate of tax would be available in respect of works contract services pertaining to Low Cost Houses, irrespective of it being supplied by the Developer or the Contractor. In the subject case, the project qualifies as an Affordable Housing Project, and the benefit of concessional rate of tax @12% GST, would thus be available to the applicant.

*3. Scope of Work(s): The scope of work of the Contractor under this Contract shall mean the roustruction of civil, structural work(s) and related work(s) (both permanent and temporary) for the Project and includes civil and finishing work(s) which shall include laying of foundation. RCC work brick work, block work, plastering, flooring: doors and windows, cladding, painting, plumbing, electrical, firefighting, fire alarm, elevators, and other Mechanical works etc. whether, executed in-house by the Contractor or through a Sub-Contractor.......".

5.13.2 It is seen that the terms entered into between the Applicant and Developer is for a composite supply of works contract which includes the supply of building, completion and finishing services. Supply of these services are pertaining to original work. We agree with the applicant's contention that the building completion and finishing services cannot be treated as a separate service since the contract envisages that the said services would be provided as a part and parcel of the main activity which is, construction of dwelling units.

5.13.3 In view of the terms of the contract, we find that building completion and finishing services would not be regarded as separate services. It would be a part of the composite supply of works

contract services rendered by the applicant with principal supply of building construction and in view of the discussions made above, supply of finishing services will be covered under entry (v)(da) of Notification No. 11/2017 and applicant will be eligible to avail the benefit of reduced rate of tax i.e 12%, only in respect of dwelling units having area less than 60 sq.mtrs.

Question No. 3:- What would be the appropriate rate of Goods and Services Tax on 5.14 works contract services provided for the construction of the units and common areas and amenities on pro-rata basis which do not qualify the criteria of low cost houses'?

5.14.1 We have no doubt that the project undertaken by the applicant pertains to an affordable housing project. In the subject project, the applicant will be constructing dwelling units of less than 60 sq mtrs. carpet area as well as dwelling units having carpet area greater than 60 sq mtrs.

5.14.2 We find that common amenities form part of the overall construction service and are always naturally bundled when offered to the customer. Therefore, such services will qualify as composite supply of works contract service, where the principal supply would be, construction services. Accordingly, the rate applicable to the principal supply will also be applicable to common The word 'housing project' cannot be confined only to dwelling units, it would also include within its fold, other common amenities, structures, etc. Common amenities form part of the overall construction service and are always naturally bundled when offered to the customer. Therefore, such services will qualify as composite supply of works contract service wherein provision of construction services is the principal supply. According of dwelling units having principal supply will also be applicable to common amenities i.e in respect of dwelling units having area greater than 60 sq mtrs the GST rate would be 18%.

* NEWSER

5.14.3 We observe that that the applicant's case is covered under the concessional rate of 12% (8% GST after deducting value of land), under Heading 9954 (Construction Services), (v) (da) of above mentioned Notification No. 11/2017, as amended since the project undertaken by them falls under the definition of "Affordable Housing". The benefit of reduced rate would be available to them only in the cases of supply effected after 25.01.2018 i.e. the date on which Notification 1/2018-Central Tax (Rate) was issued and the benefit of this reduced rate would be applicable only in case of amenities pertaining to only those flats which are of carpet area upto 60 sq mtrs.. In case of amenities provided to purchasers of flats which have carpet area more than 60 sq.mtrs., the applicant would be required to pay GST at normal applicable rate i.e. @18% GST.

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5.14.4 Subject project consists of both, dwelling units less than and also greater than 60 sq mtrs. Benefit of concessional rate is only available to "Affordable Housing' as already discussed above. The definition of 'Affordable Housing' is confined to dwelling units with carpet area of not more than 60 square meters. Thus, in our opinion, concessional rate available to applicant is only in respect of low cost houses along with amenities constructed by the applicant. We find that the common amenities and areas are a part of 'Affordable Housing Project' and therefore the applicant will be entitled to benefit of concessional rate for the same, only when they are a part of low cost houses i.e. units less than 60 sq.mtrs. The applicant will thus have to discharge GST @ 12% (after deducting value of land) on works contract services provided for the construction of the units and common areas and amenities, which do qualify the criteria of low cost houses. We also hold that, since concessional rate would be available only for construction services pertaining to dwelling units less than 60 sq. mtrs including common areas and amenities on pro-rata basis, construction services including common areas and amenities on pro-rata basis, performed by the applicant in respect or welling units exceeding 60 sq.mtrs. would be liable to full rate of GST i.e. 18%.

In view of the extensive deliberations as held hereinabove, we pass an order as follows:

ORDER

(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra WHIREASHT Goods and Services Tax Act, 2017)

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ST-ARA- 28/2019-20/B-

MEMBER

Mumbai, dt. 26/12/2019

For reasons as discussed in the body of the order, the questions are answered thus -

- Whether the Applicant being the Contractor at Joyville, Virar will be eligible for **Question 1.** concessional rate of Goods and Service under Entry (v) (da) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No.01/2018-Central Tax (Rate) with effect from 25.01.2018 and discharge Goods and Services Tax at the rate of 12%?
- Yes. The applicant will be eligible for concessional rate of Goods and Service under Answer:-Entry (v) (da) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No.01/2018-Central Tax (Rate) with effect from 25.01.2018 and discharge Goods and Services Tax at the rate of 12%,in respect of Affordable Housing only, as discussed above.

- Question 2. Whether the building completion and finishing services be regarded as a separate service or would it be a composite supply of works contract service as covered under entry (v) (da) of Notification No. 11/2017 to avail the benefit of reduced rate of tax?
- Answer:- Building completion and finishing services will not be regarded as a separate services. In view of the discussions made above, such building completion and finishing services will be a part of composite supply of works contract services with the principal supply of building construction, covered under entry (v)(da) of Notification No. 11/2017 and eligible to avail the benefit of reduced rate of tax @12% GST only in respect of dwelling units having an area of less than 60 sq mtrs.
- Question 3. What would be the appropriate rate of Goods and Services Tax on works contract services provided for the construction of the units and common areas and amenities on pro-rata basis which do not qualify the criteria of low cost houses'?
- Answer:- The rate of GST will be 18% on works contract services provided for the construction of the units, common areas and amenities on pro-rata basis which do not qualify the criteria of low cost houses.



Copy to:-

- 1. The applicant
- 2. The concerned Central / State officer
- 3. The Commissioner of State Tax, Maharashtra State, Mumbai
- 4. The Chief Commissioner of Central Tax, Churchgate, Mumbai
- 5. Joint commissioner of State Tax, Mahavikas for Website.

Note :- An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India building, Nariman Point, Mumbai - 400021.

sd A. A. CHAHURE (MEMBER)

CERTIFIED TRUE COPY

ADVANCE RULING AUTHORITY MAHARASHTRA STATE, MUMBAI