

**GIB/MH/Tejas/20.08.2019/AAR-398**

**Advance Ruling Category :** Taxability

**State :** Maharashtra

**Order No.:** GIB/MH/Tejas/20.08.2019/AAR-398

**Name of Entry :**

M/S. Tejas Constructions & Infrastructure Private Limited

**Date :** 20-08-2019

**Breif Issue :**

**Facts & Issue Of The Case :**

The applicant M/s. Tejas Constructions & Infrastructure Private Limited is providing construction service to Shri Gajanan Sahakari Soot Girni Maryadit and consideration for the same will be paid to applicant subject to said conditions executed & completion of work shown as per the drawings, specifications & priced schedule of quantities.

The applicant, seeking an advance ruling in respect of :

1. Whether the contractor can charge GST on the value of material supplied by the recipient of service?
2. What should be the mechanism to calculate the taxable value as per section 15 of the Act?

The applicant has submitted that the value of contract as per agreement is Rs. 600 lakhs which is inclusive of material and labour. **They will be paid GST on the entire value of the contract** and after payment of GST, the value of the materials supplied by the contractee would be deducted and the balance amount will be paid to the applicant. On the basis of these facts submitted by the applicant.

**Decision of Advance Ruling Authority :**

**Decision :**

It held that the amount certified by the architect for the invoice to be issued before deducting the value of Cement, Mild Steel, Tor Steel and Structural Steel shall be the value of supply for the purpose of Levy of tax as per section 15 of the Act.

1. The material is supplied by the contractee and therefore the question raised by the applicant as to whether they can charge GST on the same is irrelevant. The applicant, on this issue of supply of concerned materials, is not a supplier of goods/services and as per the provisions of Section 95 of the CGST Act, they cannot raise this question. Hence the question is not answered.

2. As per the provisions of section of GST Act, tax is payable on the entire contract value as per certificate issued by the Architect i.e. R A Bill without deducting the value of Cement, Mild Steel, Tor Steel and Structural Steel provided by the contractee.