

बृहन्मुंबई महानगरपालिका

परिपत्रक

२०२२-२०२३

क्र प्रले/वित्त/प्रकल्प/२६ दि.. २८ .०७.२०२२

विषय : दि.१८.०७.२०२२ पासून सुधारित दराने लागू झालेल्या वस्तु व सेवाकरांच्या अनुषंगाने महापालिकेतील विविध प्रकल्प कामे तसेच वस्तु व सेवाच्या खरेदी देयकांवर वस्तु व सेवाकरांच्या अनुज्ञेयतेबाबत.

संदर्भ : १) क्र. प्रले/प्रकल्प/शहर/७ दि.१४.०७.२०१७
२) क्र. प्रले/प्रकल्प/शहर/८ दि.१४.०७.२०१७
३) क्र. प्रले/वित्त/प्रकल्प/२५ दि.१२.०७.२०२२

दि.१८.०७.२०२२ पासून वस्तु व सेवा करांच्या दरांमध्ये सुधारणा झाली असून, त्या अनुषंगाने महानगरपालिकेस प्राप्त झालेल्या तसेच होणाऱ्या देयकांवर वस्तु व सेवा करांच्या अनुज्ञेयतेबाबत वस्तु व सेवाकर सल्लागार मे. बाटलीबॉय अँड पुरोहित यांजेकडून “ Point of Taxation in case of change of GST rates (Section 14)” प्राप्त झाले आहे. प्राप्त सल्ल्यानुसार वस्तु व सेवाकर कायद्यातील तरतूदीनुसार विविध प्रसंगी लागू असलेला जुना दर व सुधारित दर याबाबतचा मार्गदर्शक तक्ता (परिशिष्ट 'अ') सोबत जोडले आहे. त्याचप्रमाणे, वस्तु व सेवाकराच्या सुधारित दराच्या अनुषंगाने महानगरपालिकेचे कर सल्लागार मे. बाटलीबॉय अँड पुरोहित यांनी सल्ला दिला आहे. त्याची प्रत परिपत्रका सोबत ' परिशिष्ट ब' येथे जोडण्यात आलेली आहे.

तथापि, जी कामे प्रगतीपथावर (In progress) आहेत, त्याबाबत सुधारित वस्तु व सेवा कर यांच्या अनुषंगाने अवलंब करावयाची कार्यपद्धती खालीलप्रमाणे असेल.

१) प्रगतीपथावरील कामाच्या कंत्राटामध्ये परिपत्रक क्र.प्रले/वित्त/प्रकल्प/शहर/८ दि.१४.०७.२०१७ नुसार 'कर' संबंधी Annexure -A Tax बाबतची निम्नलिखित अट

“ Rates accepted by MCGM shall hold good till completion of work and no additional individual claim shall be admissible on account of fluctuations in market rates, increase in taxes/any other levis/toll etc. except that payment/recovery for overall market situation shall be made as per price variations.”

समाविष्ट असेल, तर

अ) अश्या प्रगतीपथावरील कामाच्या बाबतीत दि.१८.०७.२०२२ पूर्वी जेव्हादे काम झाले आहे व त्या कामाकरिता देयक सादर झाले असेल, तर कंत्राट

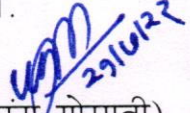
रक्कमेमधील त्या रक्कमेपर्यंतचे अधिदान वस्तु व सेवा कराच्या जुन्या दराने होईल. परंतु, दि.१८.०७.२०२२ किंवा त्यानंतर झालेली कामे अथवा देयक सादर केले असल्यास. त्या प्रत्येक प्रकरणी जुन्या दराने देण्यात आलेला कार्यदेश रद्द करून वस्तु व सेवा कराच्या ज्या कंत्राटास लागू असलेल्या सुधारित दराने कंत्राट किंमतीच्या अधीन राहून कार्यदेश देणे व त्यानुसार देयक प्रमाणित करणे आवश्यक असेल.

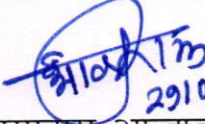
ब) मसूदा निविदेमध्ये वर नमूद केल्याप्रमाणे कर संबंधी Annexure -A Tax बाबतची अट अंतर्भूत आहे व कार्यदेश देण्यात आलेला नाही, अश्या सर्व प्रकरणात, वस्तु व सेवा करांच्या सुधारित दरांनुसार कंत्राट किंमतीच्या अधीन राहून कार्यदेश देणे आवश्यक असेल.

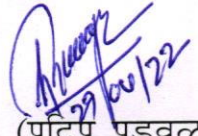
२) प्रगतीपथावरील कामाच्या कंत्राटामध्ये परिपत्रक क्र.प्रले/वित्त/प्रकल्प/शहर/८ दि.१४.०७.२०१७ नुसार कर संबंधी अट अंतर्भूत नसेल व करवाढीची रक्कम महापालिकेकडून देय असेल, या प्रत्येक प्रकरणी, त्या त्या कंत्राटामध्ये समाविष्ट असलेल्या कर संबंधित कंत्राटातील अटी व शर्ती नुसार सक्षम अधिकाऱ्यांनी निर्णय घ्यावा. तथापि, वस्तु व सेवाकराच्या सुधारित दरामुळे वाढणाऱ्या दायित्वामुळे कंत्राट रक्कमेत बदल होत असल्यास, अश्या प्रत्येक प्रकरणी, मुंबई महानगरपालिका अधिनियम १८८८ च्या कलम ६९ (ई) सह वाचावयाच्या कलम ६९ (क) नुसार सक्षम प्राधिकरणांची पूर्व मंजूरी प्राप्त करणे आवश्यक असेल, व त्यानुसार सुधारित कार्यदेश देणे आवश्यक असेल.

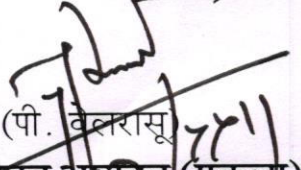
३) वस्तु व सेवा कराच्या सुधारीत दरांच्या अनुषंगाने प्रत्यक्ष काम करताना कराच्या दरांबाबत अथवा कोणतीही शंका असेल, तर महानगरपालिकेचे कर सल्लागार मे. बाटलीबॉय अँड पुरोहित यांचा सल्ला घेण्यात यावा. (email id- hiloni@batliboipurohit.com व sneh@batliboipurohit.com)

अतएव, सर्व खाते प्रमुख/सहाय्यक आयुक्त/रुग्णालय अधिष्ठाता आणि उपप्रमुख लेखापाल/ लेखा अधिकारी यांनी देयके प्रमाणित करताना व संमत करताना " Point of Taxation in case of change of GST rates (Section 14)" नियमांची नोंद घ्यावी व उपरोक्त निदेशानुसार योग्य ती कार्यवाही करण्याच्या सूचना देण्यात येत आहेत.


(पांडुरंग गोसावी)
प्रमुख लेखापाल (पापुमनि)


(रामदास आव्हाड)
उप आयुक्त (वित्त)


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प्रमुख लेखापाल (वित्त) प्र.


(पी. वे. एस.)
अतिरीक्त आयुक्त (प्रकल्प)

परिशिष्ट 'अ'

Point of Taxation in case of change of GST rates (Section 14)					
Sr. No.	Date of acceptance of Service/Goods	Invoice Date [i.e. Date of invoice mentioned on the Tax Invoice or E-Invoice (if applicable)]	Date of Payment./ Payment Block removal date	Rate of GST Prior to 18.07.2022	Rate of GST on or after 18.07.2022
1	Before 18.07.2022	Before 18.07.2022	Before 18.07.2022	Yes	No
2	Before 18.07.2022	Before 18.07.2022	After 18.07.2022	Yes	No
3	Before 18.07.2022	After 18.07.2022	After 18.07.2022	No	Yes
4	Before 18.07.2022	After 18.07.2022	Before 18.07.2022	Yes	No
5	On or After 18.07.2022	After 18.07.2022	Before 18.07.2022	No	Yes
6	On or After 18.07.2022	Before 18.07.2022	After 18.07.2022	No	Yes
7	On or After 18.07.2022	Before 18.07.2022	Before 18.07.2022	Yes	No
8	On or After 18.07.2022	After 18.07.2022	After 18.07.2022	No	Yes
Imprest / Cash Advance	Before 18.07.2022	Before 18.07.2022	Advance	Yes	No
	On or After 18.07.2022	On or After 18.07.2022	Advance	No	Yes
Special Advances in Cash	Before 18.07.2022	Before 18.07.2022	Advance	Yes	No
	On or After 18.07.2022	On or After 18.07.2022	Advance	No	Yes

परिशिष्ट'ब'



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	RREP) which commences on or after 1 st April, 2019 or in an ongoing RREP in respect of which the promoter has not exercised	0.75	(4) shall be paid in cash, that is, by debiting the electronic cash ledger only;
	option to pay central tax on construction of apartments at the rates as specified for item		Provided also that credit of input tax charged on goods

¹ Inserted vide notification No. 03/2019– Central Tax (Rate) dt 29.03.2019

² Substituted vide notification No. 03/2019– Central Tax (Rate) dt 29.03.2019. Prior to substitution it read “and”³
Inserted vide notification No. 03/2019– Central Tax (Rate) dt 29.03.2019



		<p>(ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p>(Provisions of paragraph 2 of this notification shall apply for valuation of this service)</p>		<p>and services used in supplying the service hasnot been taken except to the extent as prescribed in Annexure I in the case of REP other than RREP and in Annexure II in the case of RREP;</p> <p>Provided also that the registered person shall pay, by debit in the electronic credit ledger or electronic cash ledger, an amount equivalent to the input tax credit attributable to construction in a project, time of supply of which is on or after 1st April, 2019, which shall be calculated in the manner as prescribed in the Annexure I in the case of REP other than RREP and in Annexure II in the case of RREP;</p> <p>Provided also that where a registered person</p>
		<p>(ia) Construction of residential apartments other than affordable residential apartments by a promoter in an RREP which commences on or after 1st April, 2019 or in an ongoing RREP in respect of which the promoter has not exercised option to pay central tax on construction of apartments at the rates as specified for item (ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p>(Provisions of paragraph 2 of this notification shall apply for valuation of this service)</p>	3.75	



	<p>(ib) Construction of commercial apartments (shops, offices, godowns etc.) by a promoter in an RREP which commences on or after 1st April, 2019 or in an ongoing RREP in respect of which the promoter has not exercised option to pay central tax on construction of apartments at the rates as specified for item (ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p>(Provisions of paragraph 2 of this notification</p>	3.75	<p>(landowner- promoter) who transfers development right or FSI (including additional FSI) to a promoter (developer-promoter) against consideration, wholly or partly, in the form of construction of apartments, -</p> <p>(i) the developer-promoter shall pay tax on supply of construction of apartments to the landowner- promoter, and</p> <p>(ii) such landowner - promoter shall be eligible for credit of taxes charged</p>
	<p>shall apply for valuation of this service)</p> <p>(ic) Construction of affordable residential apartments by a promoter in a Real Estate Project (herein after referred to as REP) other than RREP, which commences on or after 1st April, 2019 or in an ongoing REP other than RREP in respect of which the promoter has not exercised option to pay central tax on construction of apartments at the rates as specified for item (ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p>(Provisions of paragraph 2 of this notification shall apply for valuation of this service)</p>	0.75	<p>from him by the developer promoter towards the supply of construction of apartments by developer- promoter to him, provided the landowner- promoter further supplies such apartments to his buyers before issuance of completion certificate or first occupation, whichever is earlier, and pays tax on the same which is not less than the amount of tax charged from him on construction of such apartments by the developer- promoter.</p> <p>Explanation. -</p> <p>(i) —developer-promoter is a promoter who constructs or converts</p>



	<p>(id) Construction of residential apartments other than affordable residential apartments by a promoter in a REP other than a RREP which commences on or after 1st April, 2019 or in an ongoing REP other than RREP in respect of which the promoter has not exercised option to pay central tax on construction of apartments at the rates as specified for item (ie) or (if) below, as the case may be, in the manner prescribed therein, intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p>(Provisions of paragraph 2 of this notification shall apply for valuation of this service)</p>	3.75	<p>a building into apartments or develops a plot for sale,</p> <p>(ii) —landowner-promoter¹ is a promoter who transfers the land or development rights or FSI to a developer- promoter for construction of apartments and receives constructed apartments against such transferred rights and sells such apartments to his buyers independently.</p> <p>[(iii) the landowner- promoter shall be eligible to utilise the credit of tax charged to him by the developer-promoter for payment of tax on apartments supplied by the landowner-promoter in such project.]¹</p>
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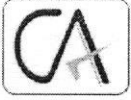
¹ inserted vide notification No. 2/2021-Central Tax(Rate) dt. 02.06.2021.



			<p>Provided also that eighty percent of value of input and input services, [other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI), electricity, high speed diesel, motor spirit, natural gas], used in supplying the service shall be received from registered supplier only;</p> <p>Provided also that inputs and input services on which tax is paid on reverse charge basis shall be deemed to have been purchased from registered person;</p> <p>Provided also that where value of input and input services received from registered suppliers during the financial year (or part of the financial year till the date of issuance of completion certificate or first occupation of the project, whichever is earlier) falls short of the said threshold of 80 per cent., central tax shall be paid by the promoter on value of input and input services comprising such shortfall at the rate of nine percent on reverse charge basis and all the provisions of the Central Goods and Services Tax Act, 2017 (12 of 2017) shall apply</p>
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			<p>to him as if he is the person liable for paying the tax in relation to the supply of such goods or services or both;</p> <p>Provided also that notwithstanding anything contained herein above, where cement is received from an unregistered person, the promoter shall pay tax on supply of such cement at the applicable rates on reverse charge basis and all the provisions of the Central Goods and Services Tax Act, 2017 (12 of 2017), shall apply to him as if he is the person liable for paying the tax in relation to such supply of cement;</p> <p>(Please refer to the illustrations in annexure III)</p> <p>Explanation. -</p> <p>1. The promoter shall maintain project wise account of inward supplies from registered and unregistered supplier and calculate tax payments on the shortfall at the end of the financial year and shall submit the same in the prescribed form electronically on the common portal by end of the quarter following the financial year. The tax liability on the shortfall of inward supplies from unregistered person so determined shall be added to his output tax liability in the</p>
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			<p>month not later than the month of June following the end of the financial year.</p> <p>2. Notwithstanding anything contained in Explanation 1 above, tax on cement received from unregistered person shall be paid in the month in which cement is received.</p> <p>3. Input Tax Credit not availed shall be reported every month by reporting the same as ineligible credit in GSTR-3B [Row No. 4 (D)(2)].</p>
		<p>(ie) Construction of an apartment in an ongoing project under any of the schemes specified in sub-item (b), sub-item (c), sub-item (d), sub-item (da) and sub-item (db) of item (iv); sub-item (b), sub-item (c), sub-item (d) and sub-item (da) of item (v); and sub-item (c) of item (vi), against serial number 3 of the Table, in respect of which the promoter has exercised option to pay central tax on construction of apartments at the rates as specified for this item.</p> <p>(Provisions of paragraph 2 of this notification shall apply for valuation of this service)</p>	<p>6</p> <p>Provided that in case of ongoing project, the registered person shall exercise one time option in the Form at Annexure IV to pay central tax on construction of apartments in a project at the rates as specified for item (ie) or (if), as the case may be, by the [20th]² of May, 2019;</p> <p>Provided also that where the option is not exercised in Form at annexure IV by the [20th]³ of May, 2019, option</p>

² Substituted vide notification No. 10/2019- Central Tax (Rate) dt 10.05.2019. Prior to substitution it read "10th"

³ Substituted vide notification No. 10/2019- Central Tax (Rate) dt 10.05.2019. Prior to substitution it read "10th"



	<p>(if) Construction of a complex, building, civil structure or a part thereof, including, -</p> <p>(i) commercial apartments (shops, offices, godowns etc.) by a promoter in a REP other than RREP,</p> <p>(ii) residential apartments in an ongoing</p>	9	to pay tax at the rates as applicable to item (i) or (ia) or (ib) or (ic) or (id) above, as the case may be, shall be deemed to have been exercised;
	<p>project, other than affordable residential apartments, in respect of which the promoter has exercised option to pay central tax on construction of apartments at the rates as specified for this item in the manner prescribed herein.</p> <p>but excluding supply by way of services specified at items (i), (ia), (ib), (ic), (id) and (ie) above intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier.</p> <p>Explanation. -For the removal of doubt, it is hereby clarified that, supply by way of services specified at items (i), (ia), (ib), (ic), (id) and (ie) in column (3) shall attract central tax prescribed against them in column (4) subject to conditions specified against them in column (5) and shall not be levied at the rate as specified under this entry.</p> <p>(Provisions of paragraph 2 of this notification shall apply for valuation of this service</p>		Provided also that invoices for supply of the service can be issued during the period from 1 st April 2019 to [20 th] ⁴ May 2019 before exercising the option, but such invoices shall be in accordance with the option to be exercised.]; ⁸

⁴ Substituted vide notification No. 10/2019- Central Tax (Rate) dt 10.05.2019. Prior to substitution it read "10th"

⁸ Substituted vide notification No. 03/2019 - Central Tax (Rate) dt 29.03.2019. Prior to substitution it read:



	[***	***	***] ⁵
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	“(ii) composite supply of works contract as defined in clause 119 of section 2 of Central Goods and Services Tax Act, 2017.	9	..“
	[(iii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, supplied to the {Central Government, State Government, Union territory, a local authority, a Governmental Authority or a	6	[Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local

“(i) Construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (Provisions of paragraph 2 of this notification shall apply for valuation of this service)	9	..“
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⁵ Omitted vide notification No. 3/2019-Central Tax(Rate) dt. 29.03.2019. The following was omitted:



	<p>Government Entity} ⁶ by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p> <p>(a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);</p> <p>(b) canal, dam or other irrigation works;</p> <p>(c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.</p>		<p>authority, as the case may be;} ^{7]} ⁸</p>
	<p>{(iv) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, {other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above} ¹³ supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-</p>	<p>6</p>	

⁶ Substituted vide notification No. 31/2017 – Central Tax (Rate) dt 13.10.2017. Prior to substitution it read “Government, a local authority or a Governmental authority”

⁷ Substituted vide notification No. 31/2017 – Central Tax (Rate) dt 13.10.2017. Prior to substitution it read “-”.

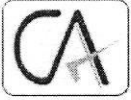
⁸ Inserted vide notification No. 20/2017– Central Tax (Rate) dt 22.08.2017. ¹³

Inserted vide notification No. 3/2019—Central Tax(Rate) dt 29.03.2019.



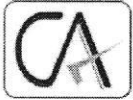
	<p>(a) — a road, bridge, tunnel, or terminal for road transportation for use by general public;</p> <p>(b) — a civil structure or any other original works — pertaining to a scheme under Jawaharlal Nehru National Urban Renewal</p>		† ⁹
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⁹ Inserted vide notification No. 20/2017– Central Tax (Rate) dt 22.08.2017
Effect of notification no. 15/2021 dated 18th November has been provided



		<p>Mission or Rajiv Awaas Yojana;</p> <p>{(c) a civil structure or any other original works pertaining to the In-situ redevelopment of existing slums using land as a resource, under the Housing for All (Urban) Mission/ Pradhan Mantri Awas Yojana (Urban)}¹⁰</p> <p>(d) a civil structure or any other original works pertaining to the Beneficiary led individual house construction / enhancement under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>{(da) a civil structure or any other original works pertaining to the Economically Weaker Section (EWS) houses constructed under the Affordable Housing in partnership by State or Union territory or local authority or urban development authority under the Housing for All (Urban) Mission/ Pradhan</p>		
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¹⁰ Substituted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018. Prior to substitution it read “(c) a civil structure or any other original works pertaining to the “In-situ rehabilitation of existing slum dwellers using land as a resource through private participation” under the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana, only for existing slum dwellers;”



	<p>Mantri Awas Yojana (Urban);¹¹</p> <p>[(db) a civil structure or any other original works pertaining to the houses constructed or acquired under the Credit Linked Subsidy Scheme for Economically Weaker Section (EWS)/ Lower Income Group (LIG)/ Middle Income Group-1 (MIG-1)/ Middle Income Group-2 (MIG-2)] under the Housing for All (Urban) Mission/ Pradhan Mantri Awas Yojana (Urban);¹⁶</p> <p>(e) a pollution control or effluent treatment plant, except located as a part of a factory; or</p> <p>(f) a structure meant for funeral, burial or</p>		
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¹¹ Inserted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018.

¹⁶ Inserted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018.



	<p>cremation of deceased</p> <p>[[Provided that during the period beginning from the 14th June, 2021 and ending with the 30th September, 2021, the central tax on service of description as specified in clause (f), shall, irrespective of rate specified in column (4), be levied at the rate of 2.5 per cent.]¹²</p> <p>[(g) a building owned by an entity registered under section 12AA of the Income Tax Act, 1961 (43 of 1961), which is used for carrying out the activities of providing, centralised cooking or distribution, for mid-day meals under the mid-day meal scheme sponsored by the Central Government, State Government, Union territory or local authorities.]¹³</p>		
	<p>[(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, [other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above]¹⁴ supplied by way of construction, erection, commissioning, or installation of original works pertaining to-</p>	6	-]23

¹² Inserted vide notification No. 4/2021 – Central Tax (Rate) dt 14.06.2021.

¹³ Inserted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018.

¹⁴ Inserted vide notification No. 3/2019—Central Tax(Rate) dt 29.03.2019.



	<p>(a) railways, [including]¹⁵ monorail and metro;</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p> <p>(c) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p> <p>(d) low cost houses up to a carpet area</p>		
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¹⁵ Substituted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018. Prior to substitution it read “excluding”

²³ Inserted vide notification No. 20/2017– Central Tax (Rate) dt 22.08.2017



	<p>of 60 square metres per house in a housing project approved by the competent authority under (1) the Affordable Housing in Partnership component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana; (2) any housing scheme of a State Government:</p> <p>{(da) 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 Government of India, in Ministry of Finance, Department of Economic Affairs vide F. No. 13/6/2009-INF, dated the 30th March, 2017;}¹⁶</p> <p>(e) post harvest storage infrastructure for agricultural produce including a cold storage for such purposes; or</p> <p>(f) mechanised food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages.</p>	
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¹⁶ Inserted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018.



	<p>{(va) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, supplied by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of affordable residential apartments covered by sub-clause (a) of clause (xvi) of paragraph 4 below, in a project which commences on or after 1st April, 2019, or in an ongoing project in respect of which the promoter has not exercised option to pay central tax on construction of apartments at the rates as specified for item (ie) or (if), as the case may be, in the manner prescribed therein.</p>	6	<p>Provided that carpet area of the affordable residential apartments as specified in the entry in column (3) relating to this item, is not less than 50 per cent. of the total carpet area of all the apartments in the project;</p> <p>Provided also that for the purpose of determining whether the apartments at the time of supply of the service are affordable residential apartments covered by sub-clause (a) of clause (xvi) of paragraph 4 below or not,</p>
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			<p>value of the apartments shall be the value of similar apartments booked nearest to the date of signing of the contract for supply of the service specified in the entry in column (3) relating to this item;</p> <p>Provided also that in case it finally turns out that the carpet area of the affordable residential apartments booked or sold before or after completion, for which gross amount actually charged was forty five lakhs rupees or less and the actual carpet area was within the limits prescribed in sub-clause (a) of clause (xvi) of paragraph 4 below, was less than 50 per cent. of the total carpet area of all the apartments in the project, the recipient of the service, that is, the promoter shall be liable to pay such amount of tax on reverse charge basis as is equal to the difference between the tax payable on the service at the applicable rate but for the rate prescribed herein and the tax actually paid at the rate prescribed herein¹⁷</p>
		<p>[(vi) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, other than that covered by items (i), (ia), (ib).</p>	<p>6</p> <p>{Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation</p>

¹⁷ Inserted vide notification No. 3/2019—Central Tax(Rate) dt 29.03.2019.



	(ie), (id), (ie) and (if) above ¹⁸		
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	<p>provided]¹⁹ to the Central Government, State Government, Union Territory, [a local authority, a Governmental Authority or a Government Entity]²⁰ by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of—</p> <p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or</p> <p>(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017.</p> <p>[Explanation.— For the purposes of this item, the term ‘business’ shall not include any activity or transaction undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities.]²⁴</p>		<p>to a work entrusted to it by the Central Government, State Government, Union Territory or local authority, as the case may be^{22]}^{23]}²⁴</p>
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¹⁸ Inserted vide notification No. 3/2019—Central Tax(Rate) dt 29.03.2019.

¹⁹ Substituted vide notification No. 46/2017 – Central Tax (Rate) dt 14.11.2017. Prior to substitution it read “Services provided”

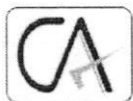
²⁰ Substituted vide notification No. 31/2017 – Central Tax (Rate) dt 13.10.2017. Prior to substitution it read “a local authority or a Governmental authority”

²¹ Inserted vide notification No. 17/2018 –Central Tax (Rate) dt 26.07.2018

²² Substituted vide notification No. 31/2017 – Central Tax (Rate) dt 13.10.2017. Prior to substitution it read “-”.

²³ Substituted vide notification No. 24/2017 – Central Tax (Rate) dt 21.09.2017. Prior to substitution it read “Construction services other than (i), (ii), (iii), (iv) and (v) above.”

²⁴ Inserted “Construction services other than (i), (ii), (iii), (iv) and (v) above.” vide notification No. 20/2017– Central Tax (Rate) dt 22.08.2017

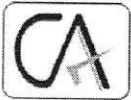


	[[(vii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, involving predominantly earth work (that is, constituting more than 75 per cent. of the value of the works contract) provided to the Central Government, State Government, Union territory, local authority, a	2.5 6	Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be] ^{25]} ³³
26	Governmental Authority or a Government Entity.		
	[[(viii) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 and associated services, in respect of offshore works contract relating to oil and gas exploration and production (E&P) in the offshore area beyond 12 nautical miles from the nearest point of the appropriate base line.	6	-] ²⁷
	[[(ix) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 provided by a sub-contractor to the main contractor providing services specified in item (iii) or item (vi) above to the Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity.	6	Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory

²⁵ Substituted vide notification No. 31/2017 – Central Tax (Rate) dt 13.10.2017. Prior to substitution it read “Construction services other than (i), (ii), (iii), (iv), (v) and (vi) above.” Effect of notification no. 15/2021 dated 18th November has been provided

²⁶ Inserted “Construction services other than (i), (ii), (iii), (iv), (v) and (vi) above.” vide notification No. 24/2017- Central Tax (Rate) dt. 21.09.2017.

²⁷ Inserted vide notification No. 31/2017– Central Tax (Rate) dt 13.10.2017



			or local authority, as the case may be.] ²⁸ ²⁹
	[(x) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 provided by a sub-contractor to the main contractor providing services specified in item (vii) above to the Central Government, State Government, Union territory, a local authority, a Governmental Authority or a Government Entity.	2.5 6	Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be.] ³⁰
	[(xi) Services by way of house-keeping, such as plumbing, carpentering, etc. where the person supplying such service through electronic commerce operator is not liable for registration under sub-section (1) of section 22 of the Central Goods and Services Tax	2.5	Provided that credit of input tax charged on goods and services has not been taken [Please refer to Explanation no. (iv)].] ³⁸
	Act, 2017.		

²⁸ Substituted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018. Prior to substitution it read:

“(ix) Construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above	9	–“
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Inserted

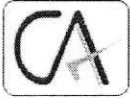
“(ix) Construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above	9	–“
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²⁹ vide notification No. 31/2017– Central Tax (Rate) dt 13.10.2017

³⁰ Inserted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018. ³⁸

Inserted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018.

Effect of notification no. 15/2021 dated 18th November has been provided



	<p>[[(xii) Construction services other than (i), (ia), (ib), (ic), (id), (ie), (if), (iii), (iv), (v), (va), (vi), (vii), (viii), (ix), (x) and (xi) above.</p> <p>Explanation. - For the removal of doubt, it is hereby clarified that, supply by way of services specified at items (i), (ia), (ib), (ic), (id), (ie) and (if) in column (3) shall attract central tax prescribed against them in column (4) subject to conditions specified against them in column (5) and shall not be levied at the rate as specified under this entry.]³⁹</p>	9	-] ⁴⁰
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³⁹ Substituted vide notification No. 3/2019 – Central Tax (Rate) dt 29.03.2019. Prior to substitution it read:

“(xii) Construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) and (xi) above {and serial number 38 below}^A.”;

A. Inserted vide notification No. 27/2018-Central Tax(Rate) dt. 31.12.2018.

⁴⁰ Inserted vide notification No. 1/2018 – Central Tax (Rate) dt 25.01.2018.

Summary:-

Sr No	Description of Services	Rate of tax (Old)	Rate of tax (New)
1	Works contract for roads, bridges, railways, metro, effluent treatment plant, crematorium, building owned by an entity registered under section 12AA etc (Sl no 3(iv))	12%	18%
2	Works contract for roads of original works of railways, low-cost housing, post agricultural harvest, mechanized food grain handling system etc. (Sl no 3(v))	12%	18%
3	Works contract for affordable residential apartments Sl no 3(va))	12%	18%
4	Works contract supplied to central and state governments, local authorities for historical monuments, canals, dams, irrigation works, pipeline, plants for water supply, educational institutions, hospitals, etc. & sub- contractors thereof (Sl no 3(ii),(vi) and (ix)	12%	18%
5	Works contract supplied to central and state governments, union territories & local authorities involving predominantly earthwork and sub-contracts thereof (Sl no 3(vii) and 3(x))	5%	12%

Conclusion:-



On the recommendation of the 47th GST council meeting the above rate of tax was rationalized to 18% and the above changes in rates of tax are attempted to reduce inverted rate structure. However, for entries such as Works contract for affordable residential apartments, affordable housing projects the tax that is charges by the works contract service provider to the developer or promoter is a cost and the increase in the rate of tax shall be an increase in the cost of provision of services of low-cost housing.

Further for other works contracts where the contract is all inclusive of tax, the said change in the rate of tax shall lead to increase in the cost of the project itself. For that portion of the services being completed on or before 18th July 2022 it is suggested to raise invoice at the old rate of tax and for the period later to the same, it is suggested to seek amendment in the contract for the rate change and also raise invoices with tax rate based on the provisions of section 14 of the CGST Act 2017.

Point of Taxation in case of change of GST rates (Section 14):-

Applicability of tax rates in the case of change in rate of tax in respect of supply of goods or services is governed by Section 14 of CGST Act, 2017, which is reproduced as under:

1. in case the goods or services or both have been supplied before the change in rate of tax

1. where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or
2. where the invoice has been issued prior to the change in rate of tax but payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or
3. where the payment has been received before the change in rate of tax, but the invoice for the same is issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;

2. in case the goods or services or both have been supplied after the change in rate of tax,—

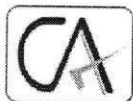
1. where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or
2. where the invoice has been issued and payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier; or



3. where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice.

Supply of Goods or Services or both	Payment received	Invoice raised	Time of supply
Before change in rate of tax	After change in rate of tax	After change in rate of tax	Date of receipt of payment Or Date of issue of invoice Whichever is earlier
	After change in rate of tax	Prior to change in rate of tax	Date of issue of invoice
	Prior to change in rate of tax	After change in rate of tax	Date of receipt of payment
After change in rate of tax	After change in rate of tax	Prior to change in rate of tax	Date of receipt of payment
	Prior to change in rate of tax	Prior to change in rate of tax	Date of receipt of payment Or Date of issue of invoice Whichever is earlier
	Prior to change in rate of tax	After change in rate of tax	Date of issue of invoice

The above provisions are explained with an example, wherein there can be two scenarios, completion of service is either, before or after, the change in rate of tax. There are 3 events, we need to take note of- Date of Completion of Service, Date of Invoice, and Date of Payment. Date of Change in Rate of Tax would be 01/10/2021.



Scenario 1 (Before the change in rate of tax)–

Completion of Service – 25/09/2021

Invoice Date- 02/10/2021

Payment Date- 03/10/2021

Time of Supply – Invoice Date(earlier)- 02/10/2021

Invoice Date- 26/09/2021

Payment Date- 03/10/2021

Time of Supply – Invoice Date (whichever lies with Completion)- 26/09/2021

Invoice Date- 03/10/2021

Payment Date- 26/09/2021

Time of Supply – Payment Date (whichever lies with Completion)- 26/09/2021

Scenario 2 (After the change in rate of tax)–

Completion of Service – 02/10/2021

Invoice Date- 25/09/2021

Payment Date- 03/10/2021

Time of Supply – Payment (whichever lies with Completion)- 03/10/2021

Invoice Date- 26/09/2021

Payment Date- 27/09/2021

Time of Supply – Invoice Date (Earlier)- 26/09/2021

Invoice Date- 03/10/2021

Payment Date- 26/09/2021

Time of Supply – Invoice Date (whichever lies with Completion)- 03/10/2021



Withdrawal of exemptions on certain goods (with effect from 18th July 2022)

Item	Current Rate	New Rate
Maps and hydrographic or similar charts of all kinds, including atlases, wall maps, topographical plans and globes, printed	NIL	12%
E-Waste	5%	18%

Taxability of residential dwelling rented to a registered person
(Notification No. 05/2022 Central Tax (Rate) dated 13th July 2022)

Change in	Before 18-07-2022	After 18-07-2022
Serial No. 12	Services by way of renting of residential dwelling for use as a residence.	Services by way of renting of residential dwelling for use as a residence except where the residential dwelling is rented to a registered person.

Description	Person liable to pay tax
If renting of residential dwelling service (For use as a residence) has been provided to a person who is registered under the Act, then such service shall be a leviable to tax	The registered person availing such services shall be liable to pay tax under reverse charge
If renting of residential dwelling service (For use as a residence) has been provided to a person who is unregistered, then such service shall not be a leviable to tax	No one shall be liable to pay tax either under reverse charge or forward charge