

Janak Vaghani

VAT-Works Contract-Rate of Composition-Composite Contracts for Supply and installation HVAC and Other Electrical Goods- During the construction of a Hotel Projects- Is a Construction Contracts. VAT- Works Contract- Composition- Collection of Service Tax - Does Not Forms Part of Contract Value. Composite contracts for testing, installation and commissioning of HVAC projects during the construction of hotel projects is a construction contracts within the meaning of terms construction contracts as per notification No.1503/CR.134/dated 30th November 2006. Amount of service tax collected does not form part of contract value for determining the composition amount payable on works contract as per section 42(3) of the Act.