

HSCC (INDIA) LIMITED
Finance Division

HSCC/Fin/GST/41

Date: 29.09.2017

MOST IMPORTANT

Sub: Implementation of GST

As we are aware that GST has been implemented w.e.f. 01.07.2017. As per GST act registration to be taken in all states where work is going on. Presently work is going on in 25 states. The process of registration under GST is in progress. Impact of taxes to be considered pre and post GST. Accordingly, clarification/details are required from contractors/suppliers. In this reference please find covering letter to be sent to contractor along with annexure 1 for Details of additional input tax credit and other benefit and annexure 2 for anti-profiteering letter from contractor/supplier.

All the three letters has been uploaded at HSCC GST link.

Kindly, arrange to collect the data from all contractor/suppliers at the earliest.

(Saurabh Srivastava)
CGM(F&A)

To: CGM, CGM (PG-I), CGM (PG-II)

ON THE LETTER HEAD OF THE COMPANY

To,
M/S.....
.....
.....

Sir,

Sub: Sharing of additional input tax credit benefit after GST roll-out

As you are aware that GST has been implemented in India from 1st July 2017, which is expected to bring a seamless input credit mechanism with the objective to eliminate tax cascading effect. As a result, you are likely to get the benefit of tax credit under GST and thus likely to reduce basic cost at your end.

We hereby attaching as Annexure-1 wherein you have to submit to us details of reduction in price on account of additional input tax credit and other benefit accruing to you which was not available in pre-GST era. The said Annexure-1 has to be duly certified by Chartered Accountant

We hereby attaching as Annexure-2 which you have to submit to us giving declaration that you have complied with Anti-Profiteering provisions under GST law while submitting revised contract price in Annexure-1.

Please note that if at any stage either during audit or otherwise, it is found that legal provisions regarding anti-profiteering as per GST law have not complied with or lesser benefits to HSCC (India) Limited has been passed then the same shall be recovered by HSCC (India) Limited from contractor/partner along with applicable interest, if any.

With Best Regards.
Sincerely Yours

ANNEXURE-1

Details of additional input tax credit and other benefit

Vendor Name:

PO Number:

GSTIN:

S.No.	Particulars	Amount (In Rs.)
A	Total Order Value without Taxes & Duties	
B	Input Tax Credit and other benefit available under GST (which was not available earlier in Pre-GST regime)	
1.	CST savings on inter-state procurement of vendor	
2.	Entry Tax savings on vendor procurement	
3.	Savings on account of excise duty credit on non-creditable goods becoming creditable under GST	
4.	Savings on account of VAT credit on non-creditable goods becoming creditable under GST	
5.	Savings on account of ED/CVD/SAD credit not availed by the vendor	
6.	Savings on account of reversal of VAT credit for stock transfer	
7.	SBC savings on services procurement of vendor	
C.	Total of B	
D	Total Revised Price exclusive of taxes (A-C)	
E	Add: GST on the contract	
F	Less: Pre-GST Taxes on the contract	
G	Total Revised Price inclusive of taxes	

To,

M/S HSCC (I) Limited,
E-6 (A), Sector-1,
Noida.

SUB.: Goods & Service Tax.

PO No.

PO Date:

Dear Sir,

1.0 This has reference to Goods and Services Tax (GST) implemented w.e.f. 01.07.2017.

2.0 We understand that the GST has replaced most of the indirect taxes levied in pre-GST regime bringing about increased fungibility of credits, thereby, impacting tax costs and related pricing of supplies.

2.1 We understand that under GST, the pool of input taxes available as credit would increase and we believe that the benefit accruing to us, if any, on account of increased creditability should be passed on to the ultimate customer.

2.2 We are also aware that to obligate passing on of tax efficiencies to the recipient of the goods and services, the GST Act encompasses an anti-profiteering clause as well, which mandates passing on to the recipient any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit by virtue of introduction of GST.

2.3 We understand that in a scenario if it is determined that the anti-profiteering provisions have not been complied with, reduction in prices and related passing on of benefits with imposition of penalty and cancellation of registration shall be effected to by the GoI.

3.1 We also confirm that while submitting details in Annexure-1, we have worked out our post-GST rates/prices by reducing Excise Duty, CST, VAT, Service Tax etc. wherever considered in our prices. Our post-GST rates/prices are further reduced to the extent of miscellaneous other tax/ cost factors such as Entry Tax on materials/ raw materials, 6(3) reversal costs, stock transfer costs etc. which are not applicable in post GST regime. No further reduction is possible in our prices on account of GST implication.

3.2 We further confirm that with the reduction as above, we have complied with the legal provisions regarding anti-profiteering as per GST law.

3.3 We further hereby confirm that if at any stage either during audit or otherwise, it is found that we have not complied with legal provisions regarding anti-profiteering as per GST law or passed on lesser benefits to HSCC (India) Limited then the same shall be recovered by HSCC (India) Limited from us along with applicable interest, if any.

4.0 Considering the above, we request you to adjust our contract price.

5.0 The confirmations, as above, are covered under the Agreement signed between us and HSCC for the subject contract and we understand that any action by us in violation shall be dealt with as per the provisions specified therein.

Thanking you,

Yours faithfully

For and on behalf of

<<Contractor's name>>

<<Name of authorized signatory>>

<<Designation of authorized signatory>>