

2-A-110
RAHUL & CO
CHARTERED ACCOUNTANTS

"Mangalam" 103/1, Napier Town
Shastri Bridge Road, Jabalpur
Ph.: (O) 0761- 2403524
(M) 9300126809

Ref.-April/GST/03

Date: 03/04/2018

To,
GST CELL,
Office of PFA, HQ
West Central Railway
Jabalpur (MP)

Sub: - Neutralization of GST.

Ref :- W-HQ/PL/201/GST dated 02/04/2018.

Dear Sir,

With respect to the subject cited above, calculation for pre-GST and post-GST liability of all applicable taxes shall be based upon the governing contract conditions:-

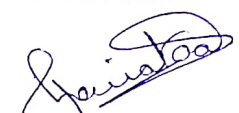
1. If, as per the terms of contract, contract value of supply is inclusive of all taxes, inclusive method of calculation of tax liability shall be followed, so that actual tax liability may be ascertained

For e.g.:- Contract value of Rs 100/- is inclusive of all taxes, tax liability may be calculated on the basis of inclusive method i.e Rs. 4.76/- (100*5/105).

2. If, as per the terms of contract, contract value of supply is exclusive of all taxes, direct method of calculation of tax liability shall be followed.
e.g.:- Contract value of Rs 100/- is exclusive of all taxes, tax liability may be calculated on the basis of direct method i.e Rs. 5/- (100*5/100).

However, in our opinion there should be consistency in method of calculation of impact of GST on the existing contracts for the purpose of annexure B of JPO No. 01/2018 dated 25th January 2018. And the tax liability under pre and post GST regime shall be calculated on the type of contract, i.e. it may be checked whether contract value is inclusive or exclusive of taxes.

For, Rahul & Co.
Chartered Accountants


Dhawal Shrivastava