

Dear Vendor,

As you would be aware that GST is slated to be implemented in India effective from 1 July 2017 (transition date), which will subsume majority of the current Indirect tax levies such as Central Excise, Service tax, State VAT, CST, Entry Tax, LBT/ Octroi, it is very important that we, the trade and industry, should familiarize ourselves and gear up for the single biggest Tax reform in India which will be transformational for our businesses.

With the advent of GST we understand that a lot of benefits would now emerge on account of fungibility of taxes, reduction in non-creditable duties/taxes, transition rules etc wherein a pool of credit is going to get unleashed to the dealers. The benefit with respect to transition specifically could be ranging from 40% to 100% of the duties and or taxes subject to fulfilment of certain parameters. Additionally, the anti-profiteering clause in the GST law does not permit pocketing of benefits received by taxable persons due to transitioning of legislations.

We believe that you have evaluated such benefit that is going to be received by you in this transitioning, if not it is very important for you to evaluate the same now as the implementation date is fast approaching.

Bearing in mind our long term relationship with you as our esteemed vendor for our major projects/supplies, we would want to understand such benefit that is going to be received by you. We hope that the cost saving that is going to be received by you shall be transferred to us by way of reduced costs in ongoing projects. We thus request you to share the workings prepared by you in this regard so as to enable to understand and discuss this in detail with you.

Let us work together towards a mutually beneficial tomorrow and continue to strengthen our relationship.

Best Regards,

For Maharashtra State Power Generation Company Limited