

SPEED POST



**INDIAN RAILWAY WELFARE ORGANISATION
भारतीय रेल कल्याण संगठन**

P.R.S. BUILDING, NORTHERN RAILWAY, CHARBAGH, LUCKNOW-226004

No. IRWO/DF/LKO-IV/Installment

Date:12/06/2019

GST IN-09 AAAT10400L1ZY

RERA Registration No: UPRERAPRJ8170.

To,

Shri/Ms «name»

«add1».

«add2»

«add3»

«add4»:«pin»

Type:«type»

Scheme Regn. No.:«p_reg_sn»

Membership No:«Pr_no»

Sub:- Payment of 4th installment in respect of DU allotted in Lucknow Ph.IV Group Housing Scheme .

Dear Sir/Madam,

You are an allottee of Lucknow Phase IV Group Housing Scheme. Cost of DU as indicated in the booking letter was revised and intimated to you as per this office letter dated 9/8/2018. Now the construction work in the project has picked up and funds are required to meet the construction cost of the project. It has therefore been decided that allottees of the scheme may pay 4th installment (based on the revised cost) as under:-

Sr.No.	Type	Installment amount(Rs)	GST@12% (Rs)	Total amount (Rs)	Payable by
1.	II	550000	66000	616000	5-8-2019
2.	III	600000	72000	672000	5-8-2019
3.	IV	750000	90000	840000	5-8-2019

The above installment can be paid within a grace period of 7 days from the due date of deposit of installment failing which delay charges @ 9.5% p.a. shall be payable from the due date of deposit of installment up to the actual date of payment. However, in case there is delay in payment for more than 6 months then penal charges @ 3% p.a., apart from delay charges @ 9.50% p.a. shall also be payable from the due date of deposit upto actual date of payment of installment .

As you are aware, GST rates on residential projects have been amended as below with effect from 01-04-2019:

a) OLD RATES PRIOR TO 01-04-2019

- GST – 12%
- Input Tax Credit (ITC) permitted.

b) NEW RATES FROM 01.04.2019:

GST rate 5%. However, ITC not permitted.

In residential project, IRWO has to pay GST @ 18% on every contractors' bill. ITC permitted means that this GST payment to contractors can be adjusted against the GST payment to be received from the allottees. This adjustment cannot be done where ITC is not allowed.

For on-going projects, GST Council has given builders an option to choose to either stay in the old GST regime of 12% with ITC or opt for the new GST regime of 5% without ITC. This choice was to be intimated to the Government by 10th May, 2019.

IRWO has done a detailed analysis in consultation with Chartered Accountants for its on-going projects at Jaipur (Ph.III), Kota, Chennai (Ph.IIB) and Lucknow (Ph.-IV). From the analysis it has been found that cost of the project is lesser if old GST rate of 12% (with ITC) is opted. Therefore, for benefit of allottees of IRWO's on-going projects at Jaipur (Ph.-III), Kota, Chennai Ph. (II/B) and Lucknow (Ph.IV) it has been decided to remain in the old GST regime.

Detailed analysis can be seen on IRWO website www.irwo.net.

For those allottees who are purchasing a Dwelling Unit costing above Rs.50 lakhs, Income Tax @ 1% is to be deducted from the installment amount payable to IRWO and deposited directly to the IT Deptt. TDS @ 1% is on the total cost of DU. For e.g, if the cost of DU is Rs.55 lakhs, a sum of Rs.55,000/- is to be deducted from the amount payable to IRWO & deposited with the IT Dept. The amount should be deducted from each payment made to IRWO. Since the cost of DUs have been revised bringing the total cost of some of them above Rs.50 lakhs, TDS @ 1% of all earlier installments may be deposited along with the current one to avoid levy of penalty by IT Deptt. Income Tax deducted is required to be deposited with Income Tax Department in form 26QB. After depositing the income tax, allottee is to download TDS Certificate in form 16B and submit the same to IRWO (duly signed) along with balance amount of installment on or before the due date of deposit of installment. In this regard it may be noted that payment of full installment shall be considered only after the allottee submit TDS Certificate in form 16B (duly signed) along with the balance amount of installment. PAN of IRWO is **AAATI0400L**. Delay in payment of TDS to I.T Dept. attracts penalty for which allottee alone is liable to pay to I.T. Department.

Yours faithfully,



For Managing Director, IRWO