

South East Central Railway



Office of the
Chief Commercial Manager
Bilaspur- 495004 (C.G)

Rates Circular No. 123 (G)/2017

No. C/SECR/BSP/GST/Policy/ 3407

Dated: 03.07.2017

All Station Managers & Superintendents, Goods Supervisors, Goods Clerks & Siding Clerks, Weigh Bridge Clerks. All CCIs, CIs of SECR.

Copy for information and necessary action to:

DRM: SECR/BSP, NGP, RAIPUR.

Sr. DCMs, Sr. DOMs: SECR/NGP, BSP, RAIPUR. Commercial Control: SECR/BSP:

ARMS: SECR/BIA, KRBA, SDL, BRJN. Principal Director of Audit/SEC Railway/Bilaspur.

FA&CAO, COM, CFTM, CME, CE, CEE, SDGM and CPRO: SECR/BSP.

FA&CAO/(T), Dy.FA&CAO(T), Sr. AFA(TA): SECR/BSP.

CCM: E.Rly-Kolkata, N.Rly-New Delhi, S.Rly-Chennai, W.Rly-CCG/Mumbai, C.Rly-CSTM/Mumbai,

N.F.Rly-Maligaon, N.E.Rly-Gorakhpur, N.C.Rly-Allahabad, E.Co.Rly-Bhubaneswar, W.C.Rly-Jabalpur,

N.W.Rly-Jaipur, S.W.Rly-Hubli, E.C.Rly-Hazipur, S.E.Rly-Kolkata, S.C.Rly-Secunderabad.

CONCOR/IISCO House, 50, Jawahar Lal Nehru Road, Kolkata.

Executive Director/Center for Railway Information System/Chanakyapuri,

New Delhi-110021.

Director, Traffic Commercial (Rates)/Railway Board/New Delhi.

Sub.: Levy of Goods and Service tax (GST) on Transportation of Goods by Rail.

Ref.: Board's letter No.TC-II/2910/2017/GST/2 dated 09.06.2017 containing detailed approach paper to Implementation of Goods and Service Tax (GST).

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A copy of Railway Board's letter No.TCR/1078/2017/19 dated 30.06.2017 (Rates Circular No19 of 2017) is enclosed here with for your information and necessary action.

All concerned to please note and act accordingly.

Encl: As above (4 pages)

(S.M.Gondane)

Dy.Chief Commercial Manager (FS)
For Chief Commercial Manager

GOVERNMENT OF INDIA (भारत सरकार)
MINISTRY OF RAILWAYS (रेल मंत्रालय)
(RAILWAY BOARD) (रेलवे बोर्ड)

No. TCR/1078/2017/19

New Delhi, Date: 30.06.2017

General Managers
All Indian Railways.

Sub: Levy of Goods and Service Tax (GST) on Transportation of Goods by Rail.

Ref: Board's letter no. TC-II/2910/2017/GST/2 dated 09.06.2017 containing detailed approach paper to Implementation of Goods & Services Tax (GST).

1.0 In compliance of the announcement made by the Government of India, Ministry of Finance, it has been decided to impose 5% GST rates on Goods and Service for 'transportation of goods by Rail'. Logic of application (Freight) shall be as per Appendix A-1 of Approach Paper notified as per above referred Board's letter. This rate will also be applicable to all ancillary charges levied on transportation of goods traffic viz. Wagon Registration Fee, Demurrage, Wharfage, Terminal Access, Sidings, Shunting, Stabling, Haulage, Detention, Punitive Charges for overloading, charges for unloading, Charges for dummy wagons, Hire/ Haulage of crane, charges for empty wagons on private account, Engine haulage charges, Re-weighment of wagon, Special train charges, Hire charges for Test wagon, Hire charges for wagon interchange, infringement charges etc.

2.0 Commodities which are exempted from levy of GST:

- i. Relief material for victims of natural or manmade disasters, calamities, accidents or mishap;
- ii. Defence or military equipments;
- iii. Newspapers or magazines registered with registrar or newspapers;
- iv. Railway equipments or materials;
- v. Agriculture produce;
- vi. Milk, Salt and food grain including flours, pulses and rice; and Organic manure.

3.0 All Penalties/Penal Charges shall also attract GST @5%.

4.0 In case of any refund of WRF, freight charges by way of concession/rebate, Demurrage/Wharfage waiver etc the corresponding GST shall also be refunded on generation of Credit Note which shall contain all the information about customer as per Invoice Rules of GST. This will be reported in the GST return as Tax Refunded so that the customer's electronic ledger also gets debited. This credit note shall be recorded in the offline utility created by CRIS.

5.0 Indo-Bangladesh or Indo-Pakistan boundary station shall be treated as destination station for levy of GST. Rest of the movement from boundary station to destination in BR or PR shall be taken care by concerned foreign railway.

Shilpi Bhatnagar

SECR'S R.C. NO. 123(w)/17 -

30/6/17
7/4

6.0 Under the GST regime, Railway Receipt/ Money Receipt shall act as Tax Invoice certificate for availing input credit. Under TMS booking, a copy of RR will be sent as Tax Invoice to the customer via e-mail. Under manual booking, a copy of manual RR/MR will be transferred to a centralized location in the Sr. DCM office which will be fed in the system and Tax Invoice shall be transferred to the customer via e-mail.

7.0 To facilitate correct assessment, collection and payment of GST, following instructions shall be followed:

- 7.1 Zonal Railway shall register themselves at the earliest with the concerned authorities of Government for proper accountal remittance of GST.
- 7.2 GST as applicable shall be collected at the time of preparation of Railway Receipt/ Money Receipt itself. Revised format of RR/MR in compliance with GST shall be framed by CRIS.
- 7.3 The GST amount shall not be rounded off. In case of showing separate GST amount for CGST and SGST/UTGST, GST amount shall be separately mentioned upto two decimal place. As regards rounding off of chargeable freight after levy of GST on the total freight charged including surcharges as applicable, shall be rounded off as per approved principles.
- 7.4 In case of 'to-pay' RRs, GST shall be collected at the time of delivery of goods. However, place of supply of service for levy of GST shall be determined with reference to original loading point as done for others.
- 7.5 In case of booking under 'weight only' scheme, GST shall be collected at the time of collection of freight against the booking.
- 7.6 CAO/FOIS shall make provision for separate accountal of GST in the TMS software for inclusion of relevant details in computerized RRs issued from TMS locations.
- 7.7 In case any undercharges or other charges are collected at the destination station, then GST at the stipulated percentage shall be collected by the destination railway on such other components also.
- 7.8 All Container Train Operators, Special Freight Train Operators etc. shall also pay prescribed GST along with haulage/freight charges.
- 7.9 Please ensure that various documents such as GST Act, Notification etc. are obtained and all concerned made well conversant with the same.
- 7.10 Instructions regarding action areas for monitoring implementation of GST have already been issued by the Accounts Directorate vide Board's letter No2016/AC-II/1/16 dated 12.05.2017 (RBA No.55/2017).
- 7.11 Any modification in the policy made by the Government of India, Ministry of Finance from time to time shall become automatically applicable though will be notified separately accordingly.
- 7.12 Instructions regarding head of allocation, accounting procedure, system of making payments etc. will be issued by Accounts Directorate.

Shilpi Bishnoi

28/6/17

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7.13 Instructions should be communicated to the staff at all levels regarding the relevant provisions of this tax and they may be made conversant with the various provisions for effective and efficient implementation of the same.

8.0 These instructions shall come into force w.e.f. 01.07.2017 and shall remain in force till further advice.

9.0 This issues with the concurrence of Accounts and Finance Directorates of Ministry of Railways.

Shilpi Bishnoi
30/6/17
(Shilpi Bishnoi)

Director, Traffic Commercial (Rates)
Railway Board.

No. TCR/1078/2017/19

New Delhi, Date: 30.06.2017

1. FA & CAOs, All Indian Railways.
2. Dy. C&AG (Rlys.), Room No. 222, Rail Bhawan, New Delhi.

30/6/17
For Financial Commissioner (Railways)

No. TCR/1078/2017/19

New Delhi, Date: 30.06.2017

Copy for information and necessary action to:

1. CCMs, All Indian Railways.
2. COMs, All Indian Railways.
3. Managing Director, CRIS, Chanakya Puri, New Delhi-23
4. The Chief Administrative Officer, FOIS, Northern Railway, Camp: CRIS, Chanakya Puri, New Delhi-23.
5. Managing Director, Konkan Railway Corporation, Belapur Bhavan, Sector-11, CBD Belapur, New Mumbai-400614.
6. Director General, National Academy of Indian Railways, Vadodara.
7. Director, Indian Railways Institute of Transport Management, Campus: Hardoi Bye Pass Road, Village & Post office: Kanausi, Manaknagar, Lucknow.
8. Secretary, Railway Rates Tribunal, 5, P.V.Churian Road, Crecent Road, Egmore, Chennai- 600105.
9. Commissioner of Railway Safety (CRS), Lucknow.

Shilpi Bishnoi
30/6/17
(Shilpi Bishnoi)

Director, Traffic Commercial (Rates)
Railway Board.

Copy to:-

OSD to MT & PSO to FC for kind information of MT & FC respectively.

PPS to: AM(C), AM(T),

Adv(F), Adv.TT(M), EDF(C), EDTT(F), EDTT(S), EDME(Frt.), EDCE(P), EDVT, EDTC(R),

DTT(G), DF(C), DME(Frt.), D(FM),

TC(CR), TC-I, TC(FM), TT-I, TT-II, TT-III, TT-IV, TT-V, CE-II, F(C), Stat-II, Stat(CA), Stat-V,

Stat(Econ), Economic Cell and Budget Branches of Railway Board.

Shilpi Bishnoi

SECR'S R.C.NO. 123(W)/17- (3/4)

Logic for GST application (Freight)

Concepts:

5.0 Place of supply

In case of registered Customer- Place of registration of the customer.

In case of unregistered customer- location at which the goods are handed over for transportation.

6.0 Location of supplier is the place of registration of supplier

In case of IR, IR shall be registered in every state so the location of supplier will be the state from where ticket or invoice has been issued.

7.0 Application of GST

7.1 Intra state (location of supplier and place of supply in same state) - CGST + SGST or CGST + UTGST

If the address of registered customer and the place from where RR or invoice is issued are in the same state it will be Intra state.

In case of unregistered customer if the place from where the RR or invoice is issued and the place where the goods are handed over for transportation are in the same state it will be Intra state.

7.2 Interstate (Location of supplier and place of supply are in different state) - IGST

If the address of registered customer and the place from where the RR or invoice is issued are in the different states, it will be Inter state.

In case of unregistered customer if the place from where the RR or invoice is issued and the place where the goods are handed over for transportation are in the different state it will be Inter state (according to our understanding of the IR work there seems little chance of such transactions).

8.0 Logic for Application of GST

8.1 Unregistered Customer (B2C)

Place of handing over of goods for transportation	State of destination	State of Address of customer	Location of supplier	Place of supply	Applicability of GST
A	B	Unknown	A	A	CGST + SGST/(UTGST)
A	A	Unknown	A	A	CGST + SGST/(UTGST)
Not known	A	Unknown	A	A	CGST + SGST/(UTGST)

8.2 Registered Customer (B2B)

Place of handing over of goods for transportation	State of destination	State of Address of customer	Location of supplier	Place of supply	Applicability of GST
A	B	C	A	C	IGST
A	A	C	A	C	IGST
A	B	A	A	A	CGST + SGST/(UTGST)
A	A	A	A	A	CGST + SGST/(UTGST)
A	B	B	A	B	IGST

A-2