HQ

EAST COAST RAILWAY

Office of the
Chief Commercial Manager
Rail Sadan,
Chandrasekharpur,
Bhubaneswar – 751017

Commercial Circular No. : 101 (GC) Parcel / 2017 Dt. 29.6.2017

Sub: Implementation of Goods & Service Tax (GST) on transportation of Parcel trffic (leased or non-leased) by rail.

Ref: 1. FM Circular No 08 of 2017 dated 29.06.2017
2. Railway Board letter No. TC-II/2910/2017/GST/2 dt. 9.6.2017 (circulated vide this office Commercial Circular No. 97(GC)/2017 dt. 21.6.2017

A copy of Railway Board's FM circular No. 08 of 2017 dt. 29.6.2017 regarding implementation of Goods & Service Tax (GST) on transportation of Parcel traffic (leased or non-leased) by rail is enclosed herewith for information and necessary action.

All concerned to note and act accordingly.

Authority: Railway Board's letter No. TC-II/2046/2017/ GST/ Parcel dated 29.6.2017 (FM Circular No. 08 of 2017).

Enclosure: As above(04 Pages)

29/6/17

(P. C. Sahu)
Chief Commercial Manager (FS)

No.CCM/443 / GST/ 2017 Dt. 29.6.2017

Copy to:-
All Station Managers/ Goods Supervisors/Commercial Supervisors /Siding Clerks / Booking Clerk in Charges / Clerk in Charges / City Booking Agencies / Out Agencies.

Copy for information and necessary action to the:-
COM: ECoR/SDGM/ECoR/BBS,Chairman/RCT/BBS,Dy.CVO/ECoR/BBS,Dy.COM/FOIS)/ECoR/BBS, PO/RCT/BBS, Audit officer/BBS. CCM: SER/SECR/NR/NFR/ER/ SR/SCR/ WR/NER/ CR/SWR/NCR/NWR /WCR/ ECR/KRly.DRM: KUR,WAT,SBP/ECoR, CAO(PTS)/ NDLS Sr.AFA(TC)/ECoR Sr.DOM- KUR,WAT,SBP/ECoR, Sr.DCM:KUR,WAT/SBP/ECoR. Dy.CCM(Claims) / ECoR. FA & CAO : E.Co.Rly, CAO(TA), SAO(TA-I),AAO(C&G) / E.Co.Rly /BBS, Traffic Manager: VZP, Paradeep PortTrust / Paradeep, GM(PMS)/ CRIS/ NDLS, EDFM / Rly. Board / NDLS.

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(P. C. Sahu)
Chief Commercial Manager (FS)

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

Freight Marketing Circular No. 08 of 2017

No TC-II/2046/2017/GST/Parcel New Delhi, dated 29.06.2017

The General Managers,
All Zonal Railways.

SUB: Implementation of Goods & Services Tax (GST) on transportation of Parcel traffic (leased or non-leased) by rail.

REF: This office letter no. TC-II/2910/2017/GST/2 dated 09.06.2017 containing detailed approach paper for implementation of Goods & services Tax (GST).

In continuation of above referred instructions containing approach paper for implementation of Goods & services Tax (GST), It has been decided to levy Goods & Services Tax (GST) in place of service tax including Cess on transportation of Parcel traffic (leased or non-leased) by rail. The detailed procedure for levy of GST on transportation of parcel traffic by rail shall be as under:-

Goods and service tax (GST) will be levied for transportation of all description of parcel traffic (leased or non-leased parcel traffic) and merchandise items (for commercial use) booked as luggage. Luggage traffic i.e personal baggage belonging to the travelling passengers, (Excluding merchandise items for commercial use), shall be exempted from GST. The details of other commodities exempted from GST shall be as under:-

(a). Relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap;

(b) Defence of military equipments;

(c) Newspaper or magazines registered with the Registrar of Newspapers;

(d) Railway equipments or materials;

(e) Agricultural produce,

(f) milk, salt and food grain including flours, pulses and rice;

(g) organic manure

2 The rate of GST shall be 5% on total freight as per the logic of application, GST vide Annexure- A1.

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3. Goods & Services Tax will be levied on the total freight as reflected in the Parcel Way Bill and /or Luggage ticket and /or Money receipt (in case of leased traffic) issued on or after 01.07.2017 and it will be collected at the time of booking and preparation of Parcel Way Bill/Luggage ticket/Money receipt.

4. In case of undercharges or other charges, which are to be collected at the destination station, Goods & Service Tax (GST) at the stipulated percentage shll be collected by the destination railway on such other components also.

5. To facilitate correct assessment, collection and payment of Goods & Services Tax (GST), the following instructions are issued.

(i). State wise GSTIN of supplier and state wise registered address of Indian Railways shall be provided separately.

(ii). The detailed approach paper which has already been issued vide letter no. TC-II/2910/2017/GST/2 dated 09.06.2017 for implementation of GST may be followed.

(iii) Till such time as changes are made in the PMS software, details mentioned in para(ii) above shall be manually written by the parcel clerks in the computerized Parcel Way Bills also which will be generated at PMS locations.

(iv) It may be ensured that not only Railway customers but also all lease holders should pay GST alongwith freight/lumpsum leased freight/haulage charge. Further, where advance payment facility has been permitted they would be required to pay GST alongwith the freight/lumpsum leased freight/haulage charge.

(v) It may ensured that proper arrangements are made for up-keep of records from the initial stage itself for subsequent auditing by GST authorities.

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

(vii). Each station/Parcel office collecting the GST shall submit a statement showing customer wise details of GST collected during the previous month date-wise and P W Bill-wise with breakup of GST alongwith the station balance sheet.

(viii) GST as applicable shall be collected alongwith Wagon Registration Fee (WRF), where applicable and separately, at the stage of booking the consignment through Parcel Way Bill/Luggage ticket and/or Money receipt for the respective amount. In case of any refund of either WRF or Freight charges, the corresponding GST shall be refunded..

(ix). Since GST due, in case of undercharges detected at the destination station will be recovered by the destination station, the station will maintain separate record of GST so collected. Destination station shall also prepare a monthly statement showing customerwise details of invoice, undercharges and GST collected thereon to be submitted alongwith the station balance sheet to Traffic account office.

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Andaleeb Rani SL NO. 101 (RC) 17/9/17
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6. It is suggested that various documents like GST, relevant notifications etc., may be obtained and all concerned may be made well conversant with the same. Provisions pertaining to GST is available on the Ministry of finance website.

7. Instructions regarding head of allocation, accounting procedure, system of making payment etc., will be issued separately by the accounts directorate.

8. Any modification in the policy made by Ministry of finance from time to time will become applicable and the same shall be notified.

9. All other terms and conditions shall be followed as per approach paper for implementation of Goods & services Tax (GST) mentioned above.

10. This issues in consultation with rates branch, Accounts directorate and Finance (commercial) Directorates.

11. The date of implementation of GST shall be 1st July.

12. Necessary instructions may be issued to all concerned.

13. Wide publicity should be given through different media.

14. Procedure to be followed by zonal Railways is placed at Annexure. (1page)

Andaleeb Razi 29/6/17

(S. M. Andaleeb Razi)
Director Freight Marketing
Railway Board

No.TC-II/2046/2017/GST/Parcel

New Delhi, dated 29.06.2017

Copy forwarded for information to:

1. The Dy. Comptroller & Auditor General of India (Railways), Room No.224, Rail Bhavan, New Delhi.
2. The FA&CAOs, All Indian Railways.
3. The Principal Director of Audit, all Indian Railways.

29/6/17

for Financial Commissioner/Railways

--4/-

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Appendix A-1

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 RR/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

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