

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

Commercial Circular no. 41 Of 2017

No.TC-II/2910/2017/GST/2

New Delhi, dated 23 .06.2017


The General Managers,
All Zonal Railways.


SUB: Implementation of Goods & Services Tax (GST) on transportation of passenger 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 passengers by rail. The detailed procedure for levy of GST on transportation of passengers by rail shall be as under:-

1. Goods and service tax (GST) will be levied on the fare of passenger services in place of service tax (including cess) on the following classes:-
 - (i) AC first class (ii) Executive class (iii) AC-2 tier class (iv) AC-3 tier class (v) AC chair car class (vi) AC economy class (v) First class (vi) AC and first classes coaches of special trains/coaches on FTR (vii) All other type of first class and AC class coaches if any.
2. The rate of GST shall be 5% on total fares as per the logic of application, GST vide Appendix-A.
3. As regards Duty pass, Privilege pass, any other complimentary passes which are not reimbursed to Railways etc. and where no money transaction is involved, GST shall not be levied.
4. On concessional tickets/Privilege ticket orders (PTOs) tickets etc., GST shall be levied at the prescribed rate on total actual fare collected after concession/rebate.
5. The GST amount shall not be rounded off. In case of showing separate GST amount for CGST and SGST/UTGST in that case also GST amount shall be separately mentioned upto two decimal place . As regards rounding off of chargeable fare, after levy of GST on the total fare charged including Superfast surcharge, reservation fee, etc as applicable therefore it shall be rounded off as per approved principles.
6. As per provisions of GST, certain facility already available to passenger shall be withdrawn in AC classes and first class ticket to implement the GST guidelines:-


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(i). In case of combined return journey tickets, separate tickets for onward journey and return journey tickets may be issued in all cases whether for UTS tickets or for PRS tickets. However, for suburban UTS tickets for which journey originating/terminating station is within the same state/same UT, issue of combined return journey ticket over suburban section shall continue.

(ii). Circular journey tickets shall be discontinued w.e.f 01.07.2017.

(iii). Issue of AC Class tickets from UTS counter shall be discontinued w.e.f. 01.07.2017

(iv) Issue of cluster tickets from PRS shall be discontinued w.e.f.01.07.2017. However, issue of cluster ticket in UTS shall continue.

(v) In any other case if combined tickets are issued except season tickets the same may be discontinued and only point to point tickets may be issued in AC classes and First classes as proposed above.

7. In case tickets were booked in advance alongwith service tax for journeys to commence on or after date of implementation of GST, the Goods & services Tax difference of fare shall not be collected on the tickets booked in advance. This shall be applicable on tickets issued on or after 01.07.2017.

8. In case of Mobile tickets, location of supplier shall be originating station and mobile tickets shall be issued only to unregistered users.

9. Commercial inspectors and TIAs should visit all important stations and ensure that GST are levied on tickets issued as per the GST rules. Commercial officers should also make surprise checks at the stations and ensure that GST are levied from date of implementation of GST.

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

11. This issues in consultation with Rates Dtte., Accounts Directroate and Finance (commercial) Directorates.

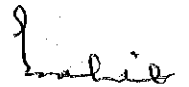
12. The date of implementation of GST shall be W.E.F. 01.07.2017. Zonal Railways may take suitable action accordingly.

13. CRIS shall ensure necessary changes in the software.

14. Necessary instructions may be issued to all concerned.

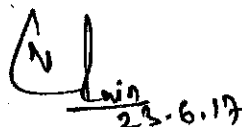
15. Wide publicity should be given through different media.

16. Procedure to be followed by zonal Railways is placed at Appendix-B. (2 pages)



(Rohit Kumar) 23/6/17

Deputy Director Passenger Marketing-III
Railway Board


23.6.17

No.TC-II/2910/2017/GST/2

New Delhi, dated 23.06.2017

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.



for Financial Commissioner/Railways

No.TC-II/2910/2017/GST/2

New Delhi, dated 23.06.2017

Copy forwarded for information & necessary action to:

1. CCMs, All Indian Railways.
2. CCM (PM)s, All Indian Railways.
3. CRB, MT, FC, Secretary, DG/RHS, Railway Board.
4. AM(B), Adv (Finance), AM(IT), AM(C), Adv (Vig), Adv (Rates), ED(A), EDF(C), ED(X)-I, ED(C&IS), EDV(T), ED/Safety, ED(H), ADG/PR, DFC, DTC(G), JDA and TC(CR), V(SS), PR, TG-I, TG-II, TG-IV, TG-V & F(C) Branches, Railway Board.
5. MD, GM/PRS, GM/UTS, Centre for Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi, for making necessary changes in the PRS and UTS softwares.
6. MD, IRCTC, 9th Floor, Bank of Baroda Building, 16, Sansad Marg, N.Delhi for necessary action.
7. Director General, Railway Staff College, Vadodara.
8. Managing Director, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No. 6, Sector 11, CBD Belapur, Navi Mumbai – 400 014.
9. General Manager, Metro Railway, 33/1, J.L. Nehru Road, Kolkata.
10. Chief Commissioner of Railway Safety, Lucknow.
11. General Secretary, IRCA, Chelmsford Road, New Delhi for issue of necessary correction slip to Coaching Tariff No. 26 part-I (Vol.I)
12. The General Secretary, All India Railwaymen's Federation, Room No.253, Rail Bhavan, N.Delhi
13. The General Secretary, National Federation of Indian Railwaymen, Room No. 256-E, Rail Bhavan, New Delhi.
14. The Secretary General, All India R.P.F. Association, Room No. 256-D, Rail Bhavan, N.Delhi
15. The Secretary General, Federation of Railway Officers Association, Room No. 256-A, Rail Bhavan, New Delhi.
16. The Secretary General, Indian Railway Promotee Officers Association, Room No. 268, Rail Bhavan, New Delhi.


(Rohit Kumar)
Deputy Director Passenger Marketing-III
Railway Board
23/06/17

Appendix A

Logic for GST application (Passenger)

Concepts:

1.0 Place of supply

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

In case of unregistered customer- Place of embarkation of journey.

In case of unregistered customer if place of embarkation is not known – Location of the supplier.

2.0 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.

3.0 Application of GST

3.1 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 the ticket 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 ticket or invoice is issued and the place of embarkation are in the same state or if the place of embarkation is not known it will be intra state.

3.2 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 ticket 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 ticket or invoice is issued and the place of embarkation are in the different state it will be inter state.

4.0 Logic for Application of GST

4.1 Unregistered Customer (B2C)

State of embarkation of journey	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)

4.2 Registered Customer (B2B)

State of embarkation of journey	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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Procedure to be followed by zonal Railways

A. To facilitate correct assessment, collection and payment of GST, following instructions are issued:

(i). Zonal Railways shall advise CRIS by 26.06.2017 to enable testing by CRIS State wise/UT wise GSTIN.

(i) (a) Details of service accounting code and its applicability shall be as under:-

Description of service	Service Accounting code	Category of tickets on which applicable
Local land transport services of passengers by Railways	996411	For distances upto 150 Kms
Sightseeing transportation services by rail	996416	Tourist tickets
Long distance transport services of passengers through rail network by Railways	996421	For distance beyond 150 Kms.

(ii) GST should be collected at the time of issuing ticket itself.

(iii) In case of Manual booking the relevant details of GST will be indicated on the ticket by booking clerks till relevant changes is made in the tickets.

(iv) CRIS will make provision of separate account of GST in the UTS/PRS software. The details of GST shall be stored in the UTS and PRS system for taking out separate accountal statement.

(v) In case any undercharges or other charges are collected the intermediate stations, then GST at the stipulated percentage should also be collected

(vi) It may be ensured that proper arrangement be made for upkeep of record from the initial stage itself for subsequent auditing of GST authorities

(vii) Instructions may 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.

(viii). Refund. In case of cancellation of tickets, refund amount due as per refund rule alongwith total amount of GST charged at the time of booking shall be refunded in full. However cancellation/clerkage charge applicable as per Refund rule and GST amount on cancellation/clerkage charge shall be retained by Railways. This is applicable only for AC and First class.


In case of tickets booked in advance before implementation of GST and the same is cancelled after implementation of GST in that case refund amount due as per refund rule alongwith total amount of service tax charged at the time of booking shall be refunded in full. However cancellation/clerkage charge applicable as per Refund rule and GST amount on cancellation/clerkage charge shall be retained by Railways.

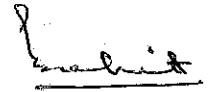
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(ix) GST due in case of penalty detected at the intermediate station/destination station shall be recovered and separate record for GST so collected by maintained.

1. 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.
2. Instructions regarding head of allocation, accounting procedure, system of making payment etc., will be issued separately by the accounts directorate.
3. Any modification in the policy made by Ministry of finance from time to time will become applicable and the same shall be noticed.


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