

B.N. Mohapatra



सत्यमेव जयते



एक कदम स्वच्छता की ओर

RBA. No. - 60/2017.  
GST Circular No. 11/2017

भारत सरकार, भारत सरकार  
रेल मंत्रालय  
रेल भवन, नई दिल्ली-110 001

FINANCIAL COMMISSIONER (RAILWAYS)  
&  
EX-OFFICIO SECRETARY  
GOVERNMENT OF INDIA  
MINISTRY OF RAILWAYS  
RAIL BHAVAN, NEW DELHI-110001

D.O. No. 2017/AC-II/GST

General Manager / All Zonal Rlys

Dated 22nd May, 2017

& Production Units

**Sub:- Preparing for Compliance with Goods and Services Tax Act 2017**

1. As you are aware, provisions of the GST Act 2017 are expected to become effective from **1<sup>st</sup> July 2017**. This change in tax regime will have wide ranging impact on activities of all Departments of the Railways, as the Act covers providers of transportation and misc. services (like catering, advertisements, way leave charges, etc) as well as purchasers of materials and service/works contract services. Railways will need to be extremely vigilant and ensure full compliance with the GST Act provisions for services rendered. At the same time, we must avail maximum benefit of the new tax provisions to realize all Input Tax credit, as eligible, under the Act. In this regard, detailed instructions have been conveyed through Board's letter of even No. dated 11<sup>th</sup> May, 2017 addressed to all Production Units and Board's letter of even No. dated 12<sup>th</sup> May, 2017 addressed to all the Zonal Railways. (Annexure A&B). **I would urge you to ensure that preparedness for GST compliance is monitored daily by AGMs of Zonal Railways and by GMs themselves for Production Units. Multi-disciplinary cells at HAG/SAG level must be in place immediately for daily review of preparedness and implementation of GST Act provisions.** As advised in prior communications from Board, appointment of GST Consultant may be made for smooth transition and implementation of GST compliance, in case not done. Training on GST Act and Rules would be needed for a core team of officers and staff from each Department, who should act as Master Trainers for their respective field formations.

2. There are a few Action Areas that I wish to bring to your personal notice, for strict monitoring and your personal intervention to remove any hurdles.

- I) **Registration-** Railway Board has now approved single entity Registration in the name of Ministry of Railways. This entails a single nomination of Principal Place of Business in each State/UT. The details have been communicated vide Board letter dated 18.5.2017 (Annexure C). Please note that Production Units will be considered a part of this single registration in each State. A few Railways may have already obtained Registration under GST. This will have to be surrendered. Details may be furnished to Adviser Accounts, so that the Zonal Railways nominated as Principal Place of Business are advised accordingly.
- II) **Non computerized transactions-** There are several transactions of IR that are not on Centralized Software. Thus there are no computerized invoices generated for such transactions. For example, under Output Services, Parcel traffic, catering, advertisement, way

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leave charges, etc are not computerized. Similarly, bill passing in Production Units is not on the centralized CRIS software. Such transactions will have to be first captured in full detail on IT platform and then sent daily to CRIS for integration with the CRIS central database. This exercise will require careful planning and personal involvement of all PHODs- particularly, CCM, PCE, COS, CSTF, CEE, etc. Procedures should be put in place immediately for collecting details and computerizing them in office where these transactions occur, on a daily basis, as uploading invoices on the GST network will be a daily exercise under the new tax regime.

- III) **Creation of Vendor Database with GSTIN-** Input Tax Credit is critical to avail benefits under the GST regime. This will require that immediate action be taken to capture GSTIN codes of all suppliers of goods and services to Railways, so that credit is availed seamlessly for taxes paid.
- IV) **Transition Provisions under the GST Act-** Under these provisions, Indian Railways can claim CENVAT credit on goods in stock, capital goods and the input services which they are utilising for providing taxable and non-taxable output services or sales in the existing indirect tax regime. **Detailed guidelines are enclosed at Annexure D.** Kindly ensure that these are strictly followed, and action to collect necessary data begins immediately, so that we are in a state of preparedness to avail these transitional credits post migration to GST.

3. Given the challenges of migration to a new tax regime under the GST Act. I am sure that you will provide exemplary leadership to your Railway, to meet the deadlines for implementation and compliance with the GST Act 2017.

With regards,

DA: As above.

Yours sincerely,

*(Signature)*  
(B.N. Mohapatra)

General Manager,

- (1) N.E. Rly - Kolkata
- (2) W. Rly - CCS
- (3) S.C. Rly - Secunderabad
- (4) Southern Rly - Chennai
- (5) N. Rly - Delhi
- (6) S.E. Rly - Bhubaneswar
- (7) N.W. Rly - Jp
- (8) G. Rly - Jabalpur
- (9) M. Rly - Aligarh
- (10) E. Rly - Bhubaneswar
- (11) E. Rly - Mysore
- (12) Southern Rly - Kolkata

- (13) N.E. Rly - Jalpaiguri
- (14) N.E. Rly - Guwahati
- (15) N. Rly - NDLS
- (16) E. Rly - Kolkata
- (17) C. Rly - NSP
- (18) N.W. Rly - BAC
- (19) RCE/Kolkata
- (20) S.C. Rly - Kamrai
- (21) C. Rly - NDLS
- (22) S. Rly - Jabalpur
- (23) E. Rly - Bhubaneswar
- (24) C. Rly - Secunderabad

- (25) C. Rly - Aligarh
- (26) S. Rly - Lucknow
- (27) M. Rly - Bhubaneswar
- (28) S. Rly - Secunderabad
- (29) S. Rly - Bhubaneswar