

RBA No - _____
GST Circular No: 29/2018

भारतसरकार/GOVERNMENT OF INDIA
रेलमंत्रालय/MINISTRY OF RAILWAYS
रेलवेबोर्ड/(RAILWAY BOARD)

For approval
31/8/18
JDK

सं/No. 2017/Track-I (P)/GST

दिनांक/Date: 29.08.2018

General Manager,
SECR,
Bilaspur

विषय/Sub: **Booking & Transport of rails manufactured by SAIL from Bhilai to various Zonal Railways.**

SAIL is supplying rails to Indian Railways (IR) through Memorandum of Understanding (MoU) between IR & SAIL. As per MoU, rails are supplied Free on Rails (FOR) Ex-works by SAIL to IR. As per existing arrangement rakes for transport of rails were being booked by SAIL by placing requisite indents for the same as there was no departmental mechanism of Indian Railways for the same.

However, in view of GST regime this has been revised. To minimize the cost of rails to Railway considering implication on cost of transport, levy of GST, etc. SECR should post one SSE/P.Way/BSPC who shall be responsible for dispatch of rails on Railway Material Consignment note (RMC) as per revised procedure indicated below:

Revised Procedure for placing of Railway Material Consignment note (RMC) for transport of rails to various consignees of Zonal Railways.

1. Railway Board will issue Priority Programme for Long Rails and Short Rails to various Zonal Railways (Open Line & Construction). Copy of the Priority Programme will be endorsed to all concerned including SAIL and Raipur Division (for SSE/P.Way/BSPC).
2. The Purchase Order for sale of rails shall be placed by Zonal Railways (Open Line & Construction Units) on SAIL on Ex-Factory (FOR) basis. Zonal Railways shall inform SSE/P.Way/BSPC and SAIL/BSPC the Consignee details, destination particulars, allocation and consignee code for the rails to be supplied by rakes as per priority issued by Board.
3. SSE/P.Way/BSPC shall place RMC for EUR rakes (for Long rails) and for LOHA/BRN rakes for Short Rails on Chief Goods Supervisor (CGS)/BSPC, as per instructions issued by Board. Memo for placement of rake on the desired loading line shall also be given to CYM/BSPC.
4. The rails having been inspected and loaded on rakes shall be the property of Indian Railways. Hence, consignor of rails in the rake shall

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beSSE/P.Way/BSPC. Rails shall be booked to Consignee & Destination station as per advice of Zonal Railways.

5. After loading of rails, the invoice for cost of rails only shall be generated by SAIL for the respective Zonal Railways for whom the rails have been booked. Copy of invoice shall be endorsed to SSE/P.Way/BSPC for reference.

6. Payment of freight for rake booked on RMC shall be made through credit note by SSE/P.Way/BSPC on basis of Railway Receipt (RR) issued by CGS/BSPC mentioning allocation no. & name of work for which rails are to be supplied. However, a note stating that "Payment of freight to be made by Consignee" shall be endorsed on credit note by SSE/P.Way/BSPC.

7. Payment for rails shall be made as per guidelines issued by this office letter of even no. dated 29.12.2017.

8. Payment of freight for rails shall be made by the unit receiving rails through Transfer Certificate, etc. as applicable to railway material.

In this regard, it is clarified that as per applicable provisions:

1. **Levy of GST on railway materials:** Services by way of transportation of railway equipments or materials (Rails in the instant case) by rail or a vessel from one place in India to another is exempt from levy of GST vide sl.no.20 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017, as amended.
2. **E-way Bill:** As per Rule 138(14) (l) of CGST Rules, 2017, no e-way bill is required to be generated where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail. In the instant case, as the consignor of goods (viz., rails) is Indian Railways, which is a central Government, no e-way bill is required to be generated for transportation of such rails from one location to another.
3. It is also informed that the terms of sale of rails from SAIL/Bhilai Steel Plant to various Zonal Railways is on ex-factory (FOR) basis. Zonal Railways to place Purchase Orders on SAIL/BSP accordingly.


(Atul Singh)
Director/ Track (P)
Railway Board
Phone: 011-23073358

प्रतिलिपि/Copy to:

1. General Manager(s), All Indian Railways.
2. The General Manager (Con.) Northeast Frontier Railway, Maligaon, Guwahati.



3. PCE(s) and CAO's/Con., All Zonal Railways, for information and necessary action.
- ✓ 4. Principal Executive Director/Account/Railway Board for information and necessary action
5. Chairman/SAIL for information and necessary action please.


Director/ Track (P)
Railway Board

प्रतिलिपि/Copy to:

1. The PFA, All Indian Railways
2. The FA & CAO (Con.), All Indian Railways.
3. FS (II) Branch, Railway Board, New Delhi. Rail Bhawan, New Delhi.
4. ADAI/Railways, Room No.222, Rail Bhawan, New Delhi.


for Financial Commissioner, Railways