



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

RBA No. 111/2018
GST Circular No. 40/2018

No. 2018/AC-II/1/46

12th October, 2018

**General Managers,
All Zonal Railways/Production Units**

**Sub: Guidelines for GST TDS to be deducted by Railway Customers (Govt. entities/PSUs etc)
on invoices of Railways for Sales.**

Ref: Board's letter dated 14.9.2018(RBA No.97/2018).

1. Board vide letter ibid has circulated copy of MOF's Gazette Notification no. 50/ 2018-Central Tax date 13.9.2018 to Railways for information and compliance. The notification ibid provides for implementation of Section 51 of CGST Act 2017 (12 of 2017) w.e.f 1.10.2018. The notification contemplates deduction of tax by the Government Agencies (Deductor) or any other person notified in this regard, from the payment made or credited to the supplier (Deductee) of taxable goods or services or both, where the total contract value of such supply exceeds two lakh and fifty thousand rupees. The above provision shall have the following implications on Railways:

- (i) **As a recipient of goods and services, the Railways shall have to recover GST-TDS @ 2% (CGST 1% and SGST/UTGST 1% or IGST @2%) on invoice value (excluding GST) from supplier and remit the same to Govt.**
- (ii) **As a service provider, the Government entities/ PSUs etc. shall deduct GST TDS on invoices of Railways for Revenue Earnings and Sales and the billing Railway will be required to account for TDS recovered/ and paid by the customer/ buyer.**

2. Instructions on 1 (i) above have already been issued. In respect of Sales made by Railways (Rolling Stock, etc), the following process flow is proposed to capture and settle TDS transactions in the books of Railways:

- a. The bill/ invoice shall be raised at total invoice value (Cost + GST).
- b. The party will deduct GST TDS from the invoice amount while making payment to Railway.
- c. On receiving payment (Invoice amount minus GST-TDS), the billing Unit will keep TDS amount under Suspense Head (Dep. Misc GST TDS Receivable). IPAS will generate a Statement of party-wise and State-wise GST TDS so deducted, for record and clearance.

- d. A manuscript/ computerized register shall be maintained to monitor receipt of TDS certificate in respect of each such transaction.
 - e. The TDS deductor shall provide GST TDS certificate to Billing Branch by stipulated date and the nominated Authority of Billing Branch shall monitor receipt of TDS Certificate and hand over a monthly statement thereof with a copy of certificates to Accounts to validate the entries made in the suspense register referred to in para d above.
 - f. The credit for GST-TDS deducted by TDS deductor shall be made available in credit ledger of the Railway (Deductee).
 - g. Invoice-wise, party-wise details of GST TDS available in credit ledgers shall be made available to the Nodal Railway by CRIS to facilitate accountal of TDS and clearance of Suspense on this account.
 - h. The Suspense will be cleared based on credit thereof afforded from credit ledger of Railway on GSTIN by Nodal Railway for GST.
3. The accounting process will be as under:

Where party deducts GST TDS from payment due:

a) On issue of invoice:

MAC (Cost +GST)- Amount billed	Dr.	
WMS (Cost)		Cr.
Dep. Misc- GST (as applicable)		Cr.

b) On receiving payment:

Remittance into Banks	Dr.	
MAC (Cost +GST minus GST TDS)		Cr.
Dep. Misc GST TDS Receivable (deducted by customers)		(-)Cr.
Allocation 08445XX (to be advised by CRIS)-New allocations to be introduced-based on GST TDS credit available in credit ledger.		

4. **Alternatively, arrangement could be explored with customers that instead of recovering TDS from Railway dues, they will make TDS payment themselves and claim reimbursement thereof supported by a TDS certificate. Accounting adjustments in such cases shall be as follows:**

On settlement of GST TDS claim

Dep. Misc GST TDS Receivable (deducted by customers)	Dr.	
Cheques and Bills		Cr.
The same shall be reflected under credit ledger of the respective Railway.		

5. **(i) On settlement of tax liability by Nodal Railways (in case of both above scenarios as at para 3 and 4 above):**

Dep. Misc. GST	Dr.	
Misc. Advance GST Input Credit [As captured during Expenditure]		Cr.
Dep. Misc GST TDS Receivable (deducted by customers)		Cr.
Cheques and Bills		Cr.

(ii) On transfer of GST TDS to respective Railways

Dep. Misc GST TDS (with allocation details) Dr.

Transfer Division

Cr.

Transfer Other Railway

Cr.

(iii) Clearance of amount lying under Dep Misc. GST TDS by concerned Railways:

Transfer Other Railway

Dr.

Transfer Division

(-)Cr.

Dep. Misc GST TDS (with allocation details)

Cr.


(Anjali Goyal)

Principal Executive Director (Accounts)
Railway Board

Copy to :-

1. PSOs all Board Members,
2. PFAs All Zonal Railways/PU
3. All EDs of ED level Empowered Committee in Railway Board
4. All Directors of GST Cell, Railway Board
5. MD, CRIS, Chanakyapuri, New Delhi.