



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

RBA No. 112/2018  
GST Circular No. 41/2018

No. 2018/AC-II/1/46

12<sup>th</sup> 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 Revenue Earnings.**

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

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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 revenue earned by Railways (Passenger Earnings, Goods Earnings, etc ), the following process flow may be followed to capture and settle TDS transactions in the books of Railways:

- a) The transaction will be reflected at total invoice value in paid statement and debit side of Station Balance Sheet.
- b) The party will deduct GST TDS from the amount due while making payment.
- c) The station shall first keep the amount so deducted as GST TDS receivable, as Station Outstanding based on statement generated by FOIS giving party-wise and station-wise GST TDS deducted by party for station record and clearance.
- d) The party shall provide GST TDS certificate to Commercial Branch by stipulated date and the nominated Commercial Authority shall issue a Credit Advice based on the TDS Certificate so received to stations concerned to take special credit to clear their Station outstanding. A copy of Credit advice shall be sent to Traffic Accounts Office also to verify the credit taken by the Station in its Balance Sheet.
- e) Traffic Accounts Office will verify the credit advice based on credit thereof afforded from credit ledger of Railway on GSTIN.

- f) Nodal Railway shall make account of GST TDS shall be made at the time of settlement of tax liability based on the credit made available by GSTIN in credit ledgers of Railways.
- g) Invoice-wise, party-wise details of GST TDS at the time of settlement of tax liability available in credit ledgers shall be made available to the Nodal Railway by CRIS to facilitate account of TDS and clearance of Station Outstanding on this account.
- h) The Nodal Railway shall pass on the credit of GST TDS so adjusted to the Traffic Account Office of concerned Railway (where invoice was generated) through TC.
- i) The concerned Traffic Accounts Office shall verify the credit advice based on which credit has been taken in the station Balance Sheet.

3. The Accounting entries will be as under:

**i. In books of Nodal Railway:**

Dep. Misc. GST	Dr.	
Misc. Advance GST Input Credit [As captured during Expenditure]		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.		
Cheques and Bills		Cr.

Invoice-wise, party-wise details of GST TDS available in credit ledgers shall be made available to the Nodal Railway by GSP to facilitate account of TDS and clearance of Station Outstanding on this account.

**ii. On transfer of GST TDS by Nodal Railway to respective Railways**

Dep. Misc GST TDS (with allocation details)	Dr.	
Transfer Division		Cr.
Transfer Other Railway		Cr.

**iii. In Traffic Accounts Office of respective Railway**

Transfer Division		(-)Cr.
Transfer Other Railway	Dr	
Traffic Accounts Suspense (to clear outstanding)		Cr.

- iv. Traffic Accounts Office on receipt of this credit shall verify the Credit Advice through which the station has taken credit of GST TDS in its balance sheet.
- v. CRIS shall ensure providing necessary MIS to nodal Railways and GSP to facilitate account.

  
**(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.