

**भारतसरकार
रेलमंत्रालय
रेलवेबोर्ड**

RBA No. 54/2017

No. 2016/AC-II/1/6

11/05/2017

The General Manager/Chief Administrative Officer

- i. **Diesel Locomotive Works (DLW)**, Varanasi, Uttar Pradesh
- ii. **Chittaranjan Locomotive- Works (CLW)**, Chittaranjan, West Bengal
- iii. **Integral Coach Factory (ICF)**, Perambur, Chennai, Tamil Nadu
- iv. **Rail Coach Factory (RCF)**, Kapurthala, Punjab
- v. **Diesel Loco Modernization Works (DMW)**, Patiala, Punjab
- vi. **Rail Wheel Factory (RWF)**, Bengaluru, Karnataka
- vii. **Rail Coach Factory (RCF)**, Rae Bareilly, Uttar Pradesh
- viii. **Rail Wheel Plant (RWP)**, Bela, Bihar
- ix. **Center for Railway Electrification**, Allahabad, Uttar Pradesh
- x. **COFMOW**, New Delhi

Sub: GST on IR: Software Changes in PUs

Kindly recall earlier communications on the subject dated 20/1/2017, 8/3/2017 and 19/4/2017. GST shall be implemented across Indian Railways from July 01, 2017.

All Production Units had been advised to constitute a GST cell and engage Consultants to gear up for the GST regime. As per the feedback received, GST cells have been constituted in ICF, RCF/KXH and is under process in RCF/RBL. Consultant has also been appointed in RCF/RBL. Hence, it is reiterated, that the remaining Production Units must also constitute a GST cell immediately. Implementation of GST involves all departments of Production Units. The complexities of GST compliance require that the GST Cell comprises of SAG level representation of all departments in the Production Units. The Nodal Officers would be FA&CAO, COS and PHoD in charge of IT applications in the Production Unit. Monitoring of GST preparedness will require intensive review by the GST Cell, given the deadline of 1/7/2017 for GST roll out.

Each Production Unit has a separate IT based software to process bills. Modifications have to be effected immediately in these programs to capture the mandatory/necessary fields. Failure to capture GST related details of all taxes paid on Inputs will prevent claim of Input Tax Credit, denying IR of potential benefit of GST regime.

The priority action areas for immediate compliance are indicated below:

1. **Modifications in Computerized Bill Processing-** Production units will play a key part in availing Input Tax Credit in the GST regime, as they are bulk consumers of material, stores and service contracts, all of which will be taxable under the GST Act' 2017. Tax paid will be available as Input Tax Credit to Indian Railways. In order to claim input taxes, a vendor/supplier of services and material should quote GSTIN of Indian Railways

on the invoice. This would need to be complied in every transaction when GST taxes are paid on inward supplies. The complexity of GST would require the reporting to be IT driven.

As per Draft GST Rules, Tax Invoices, which the supplier/vendor will prefer to the Production Unit, should contain following fields;

- a. Name, address and GST Identification Number (GSTIN) of the supplier for each state.
- b. Consecutive serial number of the Invoices with a continuity check (This will be a proof for claiming tax credits),
- c. Date of issue of the Invoices,
- d. Name, address and GSTIN or UIN, if registered, of the recipient (Production Unit or Indian Railway),
- e. Name and address of the recipient and the address of the delivery,
- f. HSN code or Accounting Code of service,
- g. Description of goods or services along with Contract Reference No. and/or Bill No.
- h. Quantity and unit,
- i. Total value of Supply of goods and/or services,
- j. Taxable value of supply of goods and/or services taking into account discount or abatement, if any,
- k. Rate of tax (Central GST, State GST, Inter State GST, Union Territory GST or cess),
- l. Amount of tax charged in respect of taxable goods or services (CGST, SGST, IGST, UTGST or cess),
- m. Place of supply along with the name of State (in case of a supply in the course of inter-State trade or Commerce),
- n. Whether the tax is payable on reverse charge basis? This field must separately be identified as the recipient of services/Goods supplied is liable to pay taxes without adjustments. Credit can be claimed later on.
- o. Signature or digital signature of the supplier or his authorized representative.

All above fields must be available in the financial/bill passing software of the Production Unit. Necessary software changes may be made in consultation with the tax consultant for GST immediately as indicated in Para 3 below.

Further, the user passing the said bill must ensure that the above fields are mentioned on the invoice of supplier. If any of the above fields are missing, then the Invoice should be returned to the supplier for completion of the details.

- 2. Transition Database-** Production Units need to commence building a computerized Data base on Registration details of Contractors/service provider/suppliers/Clients. The details of the Contractors/service provider/suppliers/Clients must be captured State wise, as the vendor may be registered in more than one state. Apart from above, email address of the supplier of goods/services may also be captured for any further correspondence. The database needs to capture unregistered suppliers also, if any, since Indian Railways shall be liable to pay GST under Reverse Charge on procurements from unregistered suppliers.

All Services and Goods Suppliers of Railways must be asked to furnish their GSTIN numbers representing the States in which they are registered for GST, along with Address of Registered office, Place of Business in State etc. This will enable smooth transition in to GST w.e.f 1st July 2017, for getting benefit of Input Tax Credit. If an agency is not registered with GSTN, the details (as applicable except GSTIN) still need to be captured.

3. **Engaging Consultants-** Each Production Unit is advised to engage a Consultant for transition to GST, who will also help clarify details of Tax liability and facilitate timely uploading of information and Tax Reports on the GSTN, compliance with GST Act provisions etc.
4. **Digital Signature-** All Tax invoices under GST regime would require a digital signature. Certain Production Units are undertaking work for outside agencies. Digital signature shall be necessary for such units as they are making taxable outward supplies to outside parties. In such cases, an invoice must be generated containing all the requisite details as in Para 1 under digital signature. Each Production Unit may identify the officer whose Digital signature will be affixed on Invoices. The identified person officer shall obtain a digital signature immediately.
5. **Timely sharing of information for filing of Returns:** The Input Tax details/output tax liability (wherever applicable as in Para 4) in the format above (Para 1) state wise, will have to be advised to CRIS on a daily basis in a preformatted file (text/CSV) so that GST returns can be generated on time, as required under the GST Act.
6. **Training of Officers and Staff:** The role of Zonal Railways/Production Units that will serve as principal place of Business for the State /UT in which they are located is under formulation. Even though Production Units may not be nominated as the principal place of Business, Officers and Staff of all Departments need to be trained in GST provisions for smooth performance of responsibilities under GST.

Action on the above points may be given priority and a Report on action taken may be submitted to Railway Board by June 10, 2017.

Anjali Goyal
Advisor (Accounts)

11/5/18

Copy to:

1. **PSO to CRB**, for kind information of CRB
2. **PSO to FC**, for kind information of FC
3. **PSO to MT**, for kind information of MT
4. **PSO to MRS**, for kind information of MRS
5. **PSO to MTR**, for kind information of MTR
6. **PSO to ME**, for kind information of ME
7. **PSO to MS**, for kind information of MS
8. **DG/RS**, Railway Board, for kind information
9. **AM/PU**, Railway Board, for kind information
10. **FA&CAOs**, Production Units