



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

RBA No. 98/2018
GST Circular No. 34/2018

No. 2018/AC-II/1/46

17th September, 2018

General Managers,
All Zonal Railways and Production Units

Sub: -GST Tax Deducted at Source on transactions-instructions thereof.

Railway Board vide letter No. even dated 14th September, 2018 (RBA No. 97/2018) had forwarded, Central Board of Indirect Taxes and Customs (CBIC) notification No. 50/2018-Central Tax dated 13th September, 2018 wherein CBIC has notified that the provisions of section 51 of the Central Goods and Service Tax Act, 2017 shall come into force on 1st October, 2018. By virtue of this notification the following person/assessee shall be liable to deduct TDS:

1. A department or establishment of the Central Government or State Government;
2. Local authority;
3. Governmental agencies; and
4. the following persons or category of persons notified by Government, namely:-
 1. an authority or a board or any other body,-
 1. set up by an Act of Parliament or a State Legislature; or
 2. established by any Government,
 - with 51% or more participation by way of equity or control, to carry out any function;
 2. Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
 3. Public sector undertakings.

3. Accordingly, Indian Railways, being Central Government, has become liable to deduct TDS on payments made or credited to the supplier of taxable goods or services or both. The following are the points to be noted for effective implementation of the aforesaid TDS provisions by all Zonal Railways and Production Units with effect from October 1, 2018:

Sl.No.	Details of Notification	Particulars to be noted for effective implementation
1	Effective date of Notification	October 1, 2018

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Sl.No.	Details of Notification	Particulars to be noted for effective implementation
2	Notification No.	50/2018-Central Tax dated 13.09.2018 issued by CBIC
3	Rate of TDS	1% - CGST and 1% SGST; or 2% IGST (Note:- IGST Notification yet to be notified)
4	TDS applicable on	Payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds Rs. 2,50,000 (<i>Section 51(1)</i>)
5	Taxable Supply means	A supply of goods or services or both which is leviable to GST
6	Value of supply	Amount excluding the Central Tax, State Tax, UT tax, Integrated Tax and Cess indicated in the invoice (<i>Explanation to Sec 51(1)</i>)
7	Time limit for depositing TDS	The amount deducted (as TDS) shall be paid to the Government (appropriate Government is State Government for SGST and Central Government otherwise) by the Deductor within ten days after the end of the month in which such deduction is made , in such manner as may be prescribed; (<i>Section 51(2) of CGST Act</i>)
8	Registration as 'TDS Deductor (Indian Railway-IR).	YES. IR required to apply for a separate TDS Deductor in each State, in addition to existing GSTIN obtained in each State. <i>Section 24(vi)</i> of CGST Act, 2017 provides that notwithstanding anything contained in section 22(1), the following categories of persons shall be required to be registered under this Act- “(vi) persons who are required to deduct tax under section 51, whether or not separately registered under this Act;” Rule 12(1) of CGST Rules, 2017 also provides that any person required to deduct tax under Section 51 must electronically submit an application in Form GST REG-07 for grant of registration through common portal.
9	TDS Certificate to be furnished by Deductor (IR)	Each Deductor to furnish to the Deductee (supplier of goods or services) a TDS certificate mentioning the contract value, rate of deduction, amount deducted, and amount paid to the government (<i>Section 51(3) of CGST Act read with Rule 66 of CGST Rules, 2017</i>)
10	Time limit for furnishing TDS Certificate	5 days from the date of deposit of TDS amount deducted by Deductor (IR) (<i>Section 51(4) of CGST Act, 2017</i>). As brought out at S.No. 7 above, TDS shall be paid to the Government within ten days after the end of the month in which such deduction is made , in such manner as may be prescribed; (<i>Section 52(2) of CGST Act</i>)

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Sl.No.	Details of Notification	Particulars to be noted for effective implementation
11	Penalty for non-submission of TDS Certificate by IR	Failure to furnish the certificate after deduction of TDS attracts Late fee of Rs.100 per day from the day after the expiry of five days until the failure is rectified, subject to a maximum of Rs.5000. (Section 51(4) of CGST Act, 2017)
12	How the Deductee (supplier of goods and services) claim credit of TDS Deducted by IR?	The Deductee shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in the return of Deductor (IR) -Form GSTR 7. (Section 51(5) of CGST Act, 2017)
13	Penalty for not depositing the TDS amount deducted to Government account	Interest at applicable rate (18%) to be paid by IR for the period tax remains unpaid along with tax deducted not deposited. (Section 51(6) of CGST Act, 2017)
14	Filing of TDS Return	Every registered person required to deduct tax at source u/s 51 shall furnish a return in Form GSTR - 7 before 10th of the following month.
15	How the details of TDS deducted made available to the Deductee	The details furnished by the Deductor shall be made available electronically to each of the Suppliers in Part C of Form GSTR - 2A and Form GSTR - 4A (for composition dealers) on the common portal after the due date of filing of Form GSTR - 7 .

TDS Matrix

4. The different situations under which TDS is to be deducted on the payments made or credited to supplier of goods or services or both are tabulated as under:

Sl.No.	Types of Inward Supplies	Contract Value / Invoice Value	Applicability of TDS Provisions (Y / N)
1	Inward supply of goods from registered vendor	Invoice value itself is >Rs. 2,50,000 Illustration: Vendor raises invoice on Indian Railways (IR) charging Rs.10 Lakhs + 9% CGST & 9% SGST. IR is required to deduct TDS @ 2% on Rs.10 Lacs, i.e. Rs.20,000 (Rs.10,000 CGST and Rs.10,000 SGST)	Y
2	Inward supply of goods from registered vendor	Invoice value ≤Rs. 2,50,000 but contract value is >2,50,000 (Note: If the contract value is > 2,50,000 then TDS is to be deducted on all invoices raised under that contract by the vendor)	Y
3	Inward supply of services from	Invoice value itself is more than Rs. 2,50,000	Y

Sl.No.	Types of Inward Supplies	Contract Value / Invoice Value	Applicability of TDS Provisions (Y / N)
	registered vendor		
4	Inward supply of Services from registered vendor	Invoice value $\leq$ Rs. 2,50,000 but contract value is $>$ Rs. 2,50,000. (Note: If the contract value is $>$ 2,50,000 then TDS is to be deducted on all invoices raised under that contract by the vendor)	Y
5	TDS on advances paid for inward supply of goods	Same treatment to be given as that of registered dealers, as brought out at S. No. 1 and S.No. 2 above. (Note: If the contract value is $>$ 2,50,000 then TDS is to be deducted on all invoices raised under that contract by the vendor)	Y
6	TDS on advances paid for inward supply of services	Same treatment to be given as that of registered dealers, as brought out at S. No. 3 and S.No. 4 above. (Note: If the contract value is $>$ 2,50,000 then TDS is to be deducted on all invoices raised under that contract by the vendor)	Y
7	Inward supply of goods from registered vendor	Invoice value as well as the contract value less than or equal to 2,50,000.	N
8	Inward Supply of Services from registered vendor	Invoice value as well as the contract value less than or equal to 2,50,000.	N
9	Inward supply of services which are exempt from levy of GST	Any value	N
10	Inward supply of goods which are exempt from levy of GST	Any value	N
11	Inward supply of Goods and Services which attracts levy of GST under RCM ;	Any value	N
12	Inward supply of goods and / or services from unregistered vendors	No GSTIN obtained by the Vendor and it is presumed that the goods/services are not liable for GST. Invoice does not indicate any levy of GST as well.	N
13	Import of Goods	Any value	NA

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Sl.No.	Types of Inward Supplies	Contract Value / Invoice Value	Applicability of TDS Provisions (Y / N)
14	Import of Services	Any value	NA

5. Effective date for TDS as per the above said notification is 1st October 2018. Consequentially, it is necessary to examine whether TDS is required to be deducted in the following cases-
- in respect of the payment made prior to 1st Oct 2018, TDS is not applicable
 - in respect of the payment made on or after 1st Oct 2018, TDS is required to be deducted.
6. Any difficulties in implementation of the aforesaid provisions may be brought to the notice of the Accounts Directorate, Ministry of Railways through a detailed letter duly approved by PFA of Zonal Railways and Production Units concerned. A copy of the reference may also be sent to s.prakash@nic.in.

(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.

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