EAST CENTRAL RAILWAY

Office of the
Principal Chief Commercial Manager
Hajipur-844101.

No. ECR/CRM/PS/GST-Guidelines/17

Date: 10.11.2017

Sr. Divisional Commercial Manager
East Central Railway
DNR, MGS, DHN, SEE and SPJ

Sub: Guidelines regarding Implementation of GST on items related to Commercial Department.

Ref: Guidelines issued jointly by FA & CAO/WST and CCM/PS vide no. 09/Books/GST/17-18/Pt I dt. 08.11.2017.

A copy of the guidelines issued vide no. 09/Books/GST/17-18/Pt I dt. 08.11.2017 jointly signed by FA & CAO/WST and CCM/PS regarding implementation of Goods and Service Tax on items related to Commercial department is sent herewith for information and necessary action.

It is requested to ensure the strict compliance of the above guidelines.

Encls : As above (8 pages)

10/11/17

(N.K.Singh)
Dy. CCM/PS
for Principal Chief Commercial Manager

EAST CENTRAL RAILWAY

GST CELL

No. 09/Books/GST/17-18/Pt I Dt. 08/11 /2017

Sub: Guidelines regarding Implementation of GST on items related to Commercial Department.

Guidelines regarding implementation of Goods and Service Tax is issued as under:

A. **GENERAL :** Wherever the licensee is required to be registered under GST, as per the provisions of the GST Act, the licensee is required to get registered with the concerned GST Authority.

i. For ongoing Contracts the licensee must ensure the same, if not already done. A copy of the GST registration certificate should be submitted with the Contract issuing Authority within one month from the date of issue of this JPO.

ii. For new tenders already floated/Contracts under finalization, the licensee shall be required to furnish the GST registration document before execution of the Contract.

iii. For all future tenders, where licensee is required to be registered, as per the provisions of the GST Act, a copy of the Registration Certificate will be submitted along-with the offer. Failure to do so and any false/misleading undertaking, if given and discovered, will lead to treating the offer as invalid/cancellation of the Contract if discovered subsequently.

B. Detailed guidelines regarding Registration is enclosed at Annexure I. Please note that GST Registration, as per provisions of the GST Act, is the liability of the licensee and Railway shall not be responsible for any liabilities on this account.

C. The licensee must furnish his GSTIN no., principal place of business, place from where supply of service is proposed to be made along-with address, Accounting code of Service, GST rate payable specifying IGST or CGST & SGST in the format enclosed as Annexure – II.

D. Where the Licensee is not required to be registered under GST as per provisions of the GST Act (please refer Annexure I), there is no need for licensee to get registered under GST. In this case he must fill and submit the format enclosed as Annexure-IV.

E. Above provisions should be suitably incorporated into tender documents.

F. **Supply of information of GST rates:** Time to time the GST rate applicable for different services may be required. Accounts department shall make available the same on GST portal of EC Railway if a reference for the same is made.

Please note that rates of GST applicable for different types of Commercial Contracts, including on license fee, has already been circulated vide letter No. Books/GST/17-18/Pt 1 dt 19/7/2017, available under head "Rates of GST" under GST option of ECR portal on the net.

G. As per Section 32 of the CGST Act, the right to collect GST lies only with persons/entities registered under GST.

H. **License Fee and GST:** The amount to be deposited by the Contractor will include the license fee and the GST admissible thereon. The GST collected by Railway shall be reported as such and paid by Railway to GST authorities.

For this purpose the demand for license fee to be raised by the Railway and MR to be issued, will show the license fee and the GST as separate components. Only the License fee will be uploaded onto the CRIS utility portal since GST liability is calculated thereon. The GST component of the collection will be booked to Deposit Miscellaneous as a Debit entry. It should be used to offset the GST liability passed on by HQ/ECR or the Zonal Railway, (where the Division or the Unit falls for purposes of GST), under Transfer Other Railways/ Transfer Divisional.

The Registered licensee can in turn claim it for input tax credit for this payment of GST on license fee. Railway should issue a receipt in this regard to the licensee. The FROMAT for issue of receipt shall be the same

as per the FROMAT for Entry of GST Manual Transactions of Receipt onto the CRIS portal with certain amendments. Enclosed as Annexure III

I. **Registered Contractors:** All contractors, registered under GST, are required to collect GST, wherever applicable, from the Users. User receipts should clearly mention the basic charge, GST rates and amount thereon, the Service Allocation Code, GSTIN of the licensee and other related details such as place of supply of service, as per the GST law. The licensee will deposit GST on his earnings directly to the concerned authority as per the guidelines/procedures laid down by the Ministry of finance. A copy of the monthly return filed under GST must be submitted to the Contract executing authority every month. All future tenders/contracts must contain this provision.

This is in addition to the GST payable on license fee, as elaborated at Para H above.

J. **Existing contracts:** Para I is also applicable for existing contracts, which may be modified to this effect. The additional burden if any, after considering earlier provision of Service Tax and any Input Tax Credit under GST only should transferred to end users by revising rates of user charges. This should be done in consultation with Divisional Finance except where vetting of rates requires approval of Traffic Accounts at HQ.

Further, if there is any case where the User charge is fixed by Railway itself, the case should be referred to HQ.

K. **Halt Contractor:** As the very activity of sale of unreserved tickets (reserved tickets other than higher class) has been exempted from GST, the GST is not leviable on the commission paid.

L. **Penalty on all type of contracts:** GST should also be collected on the penalties imposed on the all type of contracts, Demurrage charges and Wharfage charges etc. The rate of GST in such cases will be same as that from the basic service. If a service is exempted from GST, the penalty on it will also be exempted from GST.

M. The above rules are applicable for all Earning Contracts except Catering where separate instructions have been issued by Railway Board.

N. Based on the above guidelines, provisions may be incorporated in the ongoing Contracts/tenders, in consultation with Divisional Finance.

O. deposited through single MR may be bifurcated accordingly.

Rajak 08/11/17

AK Rajak

(CCM/PS)

Adv. 8/11/17

Narendra

(FA&CAO/WST)

Annexure I

Section 22 and 24 of CGST ACT: MANDAOTORY REGISTRATION:

i. Wherever the turnover from all sources of business is:
   - Rs 20 lakhs or more for all States
   - Rs. 10 lakhs or more for the states of Arunachal Pradesh, Assam, J&K, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand.

ii. All persons making Inter-State supply, irrespective of value of turnover

ANNEXURE II

FORMAT FOR SUBMISSION BY Registered Licensee

<table>
<tr><th colspan="4">Part A: Contractor's/Tender's details</th></tr>
<tr><td>1. Contract Number & Date/ Tender No. and Date</td><td>2. Contractor/Tender GSTIN No.</td><td colspan="2">3. Address of Principal place of business of the Contractor/Tenderer</td></tr>
<tr><td></td><td></td><td colspan="2"></td></tr>
<tr><td>4. Place where the supply of service is to be made</td><td>5. Name/Description of the supply of Service</td><td>6. Service Account Classification</td><td>7. Cell no and Email address of the Contractor/Tenderer.</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="4">Copy of GST Registration Certificate</td></tr>
<tr><td colspan="4">(Contractor/Tender signature)</td></tr>
</table>

ANNEXURE - III

Ann A

Version 1.4, dated 28/06/2017

Form for Entry for GST Manual Transactions of Receipt		
Part A. To be filled by Representative of Vendor / Contractor (Recipient)		
1. Transaction Type:		
2. Old Invoice No. :		
3. Station / Office:	4. Division:	5. Zone:
6. Railway Department:		
7. Goods and Services Transaction Description :(eg. Parcel, EFT,, sale of scrap, sale of Loco etc.)		
9. Recipient's Details		
9.1 Name:		
9.2 Registered with GSTIN (Y/N):	9.3 GSTIN:	
9.	9.5 State:	
9.6 Registered Address:		
9.7 Email Id:	9.8 Phone:	
9.9 Place of Supply / Service and Address:		
9.10 Place of Delivery of Service and Address:		
9.11 Signature / Name of Representative / Vendor:		
Part B. To be filled by Railway Official (Supplier) **Imp: Invoice Number must be printed on the MR / Parcel Way Bill etc.**		
1. Invoice No:	2. Invoice Issue Date:	
3. MR/	4. Station / Cash Office Code:	
5. GSTIN (State-Rly):	6. State Code:	
7. Accounts Allocation Code:	8. Department Code:	
9. Railway's GSTIN Registered Address:		
10. Service Accounting /.HSN Code:		
11. Invoice and Tax Charged Details		
11.1 Total Value of supply :	11.2 Total Taxable value:	
11.3 IGST Rate:	11.4 IGST Amount:	
11.5 CGST Rate:	11.6 CGST Amount:	
11.7 SGST / UGST Rate:	11.8 SGST / UGST Amount:	
11.9 Cess Rate:	11.10 Cess Amount:	

(Signature of Railway Official)

(Stamp)

Annexure IV

Undertaking regarding Exemption from GST

To,

(Name and address of the Tender Calling Authority)

I _____(Name of the person/persons), being the Sole owner/proprietor/partners/ authorized representative of M/s _____ (Firm's Name and Address), bidding for _____ dated _____ (details of Tender No. and date) for _____ (details of work) do hereby affirm that:

1. I/We are exempt from registration under GST :

a) Under the provisions of Section 22 of the CGST Act. We certify that out "Aggregate Turnover" is within the specified limit as per the explanation of the same given in Section 22 referred above.

b) I/We are exempt from registration under GST as per special orders of the Government (Relevant circular to be linked).

Please strike out that which is not applicable.

2. In case of any misrepresentation/misinformation on our part, we indemnify the Railways against any claims arising from the above act. Railways are also authorised to recover any amounts as may be demanded by the GST authorities on account of misrepresentation/misinformation on our part from us, from any of our payments due to the Railway. In addition Railway shall also be empowered to short-close the Contract and take further action including black-listing if deemed essential.

Name & Signature with Date