



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

RBA No. 41/2020  
GST Circular No. 23/2020

No. 2018/AC-II/1/57

New Delhi, 20<sup>th</sup> April, 2020

General Managers,  
All Zonal Railways

**Sub: Accounting Process for IRFC Infrastructure Leasing Contracts.**  
**Ref: Railway Board's letter of even no. dated 1.4.2020 (RBA No. 36/2020).**

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Railway Board vide letter ibid has directed all Indian Railways to implement the revised model of EBR-IF w.e.f. 01.05.2020. Further, Railway Board vide RBA No. 109/2019, followed by RBA No. 09/2020 and EDCE/G's letter No. even dated 20.03.2020 has also brought out various policy directives for implementing the revised model of EBR-IF funded Infrastructure Leasing contracts. In order to ensure uniform accounting procedure, following instructions are issued for strict compliance:

- (i) The vendors under these contracts shall submit two copies of the GST Tax Invoices to the paying Zonal Railways, in which GSTIN of IRFC shall be indicated. This would indicate that IRFC is the recipient of the service rendered by the vendor and IR is a paying authority on behalf of IRFC. One copy of the Invoice shall be sent by the Railway to the GM/Finance/IRFC.
- (ii) Concerned paying Zonal Railways will process the bill for payment with respect to the conditions of the Contract and Novation Agreements entered thereof. Accounts Department shall ensure due diligence of the payment by following prescribed accounting and internal check procedure:
- (iii) **Accounting entries for passing of bills:**
  - a) Suppose vendor M/s XYZ has submitted a bill for payment amounting to Rs. 118/- (base amount Rs. 100/- and GST Rs. 18/-). Bill passing module, IPAS will capture the following information:-

A. Gross Amount admitted for payment	Rs. 118.00
B. TDS-GST @2% on base amount	Rs. 2.00
C. TDS-Income Tax (to be inputted by user)	Rs. 2.00
D. Retention/ Security money (to be Inputted by user)	Rs. 5.00
E. Net Amount payable to Vendor (A-B-C-D)	Rs. 109.00

Any other recoveries, viz, Liquidated Damages etc. shall also be deducted and accounted for as per procedure.
  - b) Accounting entries at the time of Payment to Vendor:-

EBR-IF (Expenditure Head)	83XXXXXX	Dr Rs. 118.00
Cheques and Bills	00867702	Cr Rs. 109.00
Dep Misc-TDS-GST-IRFC-EBR-IF projects	00844611	Cr Rs. 2.00
Dep Misc-TDS-Income Tax-IRFC- EBR-IF projects	00844612	Cr Rs. 2.00
Dep Misc- Retention/ Security money-IRFC-EBR-IF projects	00844613	Cr Rs. 5.00
  - c) Payment of Rs. 109.00 shall be made in favour of vendor M/s XYZ through CIPS.

- d) Security money, TDS GST and TDS-Income Tax shall be retained under Deposit Miscellaneous under aforementioned allocations.
- e) The paying Zonal Railways shall indicate whether the goods and service procured qualifies as 'Plant and Machinery' or not, for which a flag has been provided in the bill passing module of IPAS.
- f) No ITC Flags normally used by Railways, shall be used in these cases, given the fact that the associated procurement is by IRFC and IR is only an agent. Assistance of GST Consultants may be taken by the Railways.

(iv) **Transferring money to IRFC for depositing Tax at the end of the month:**

- a) At the end of month, CRIS will provide a statement in IPAS containing details of vendor, TDS deducted towards both GST and Income Tax, whether the same is under Plant and Machinery or not, etc to the paying Zonal Railway (who passed bills) as mentioned by vendor in their Tax Invoice. The paying Zonal Railways shall remit the amount to IRFC in their designated bank account (details of which will be circulated in due course) as per the Statement. In the instant case, a sum of Rs. 4.00 as worked out in (iii) above, i.e., Rs.2.00 each for TDS-GST and Income Tax, shall be remitted to IRFC, by passing the following entry in IPAS:

Cheques and Bills	00867002	Cr Rs. 4.00
Dep Misc-TDS-GST-IRFC-EBR-IF projects	00844611	Dr Rs. 2.00
Dep Misc-TDS-Income Tax (IRFC- EBR-IF projects)	00844612	Dr Rs. 2.00


- b) The paying Zonal Railway shall make payment to IRFC through CIPS and submit statement as generated in IPAS (as per format provided by IRFC) to IRFC through email (details of which will follow), to facilitate filing of necessary returns by IRFC. This activity may be completed by 2<sup>nd</sup> of following month. For example, in respect of transactions for May, 2020, payment and information shall be provided by the paying Zonal Railways to IRFC by 2<sup>nd</sup> June, 2020 and so on.

(v) **Release of Retention/Security Deposit to Vendor:**

On satisfactory completion of work, as certified by the Executive Officer concerned, the paying Zonal Railway shall refund the Retention/ Security money to Vendor through CIPS by passing the following entry in IPAS:

Cheques and Bills	00867002	Cr Rs. 5.00
Dep Misc- Retention /Security money-IRFC EBR-IF projects	00844613	Dr Rs. 5.00

Kindly acknowledge receipt and ensure necessary action accordingly.

  
 (Sanjeev Sharma)  
 Director Finance/Accounts  
 Railway Board

Copy to:-

1. PFAs, PCEs, CAO/Const, FA&CAO/Const All Zonal Railways
2. PFAs, Production Units.
3. GM/Finance/GSTM
4. GM/AIMS, CRIS with request to introduce necessary utilities and allocations under Dep Misc, in IPAS accordingly