



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

RBA No. 86/2020
GST Circular No. 46 /2020

F.No 2016/AC-II/01/06/CRIS

4th November, 2020

**General Managers
All Zonal Railways/Production Units**

Sub :- Process to Re-Flag GST Input Tax Credit (ITC) Transaction

Some of the Zonal Railways have been requesting for allowing to reflag the ITC flagging done in IPAS due to errors at the time of passing of bills. Board has been considering to institutionalise a regular process in this regard. This issue has been discussed with CRIS and following schedule is being laid down:

A. Reflagging upto 5th of the following month:

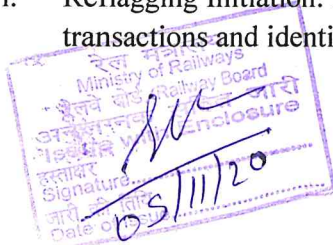
Items against a bill can be reflagged by the Accounting units upto 5th of the following month, before the invoices are considered by the GSP for the purpose of ITC calculation. For example if a bill is paid on 20th Oct 2020, all items (transactions) will be available for reflagging from 21st Oct 2020 to 5th Nov 2020.

B. Reflagging after 5th of the following month:

Items against a bill will be allowed to be reflagged after 5th of the following month but before filing of GSTR3B for the month of September of following year. For example if a bill is paid on 20th Oct 2020, all items (transactions) will be available for reflagging from 6th November 2020 to 5th September 2021. Changes in flagging among 'No eligibility (T1,T2,T3)' to either 'Full ITC (T4)' or 'Partial ITC (C2)' would affect Tax liability. Therefore, process for reflagging once it has been considered for calculation of ITC, will be governed in conformity with RBA No. 66/2020 dated 25.8.2020.

Reflagging will involve following 3 stages of initiation and approval:

- i. Reflagging Initiation: Level 1/Level2 (AA/SO/SSO) of the section will select all such transactions and identify the existing flags and populate the required flags.



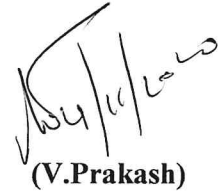
Handwritten signature and date 04/11/2020

o/c

- ii. Verifying the flags: Level 3 will verify and forward the report to JAG officer
- iii. Confirmation of Flags: JAG/SAG officer in charge of GST cell of HQ will confirm all the transactions and may tally the tax liability and forward to PFA.
- iv. Approval of Flags: The transactions confirmed by the JAG/SG/SAG officer in charge of GST Cell/HQ may be reviewed by the PFA online and approved using the digital token. Once approved, system will automatically generate a JV.

CRIS is being requested to do necessary changes in the IPAS and inform all the Zonal Railways accordingly. Taking this opportunity, CRIS is also requested to kindly bring out a concurrent process of modification of fields that is allowed to be edited/corrected as per laid down protocol, to enable reconciliation of IPAS expenditure data with that of GSTR-2A data. The reflagged report with change in tax liability will be forwarded to GSP for consideration.

This issues with the approval of competent authority.



(V.Prakash)

**Joint Director/Accounts
Railway Board**

Copy to:-

1. PFAs of all Zonal Railways and Production Units;
2. All EDs of the ED level Empowered Committee in Railway Board;
3. All Directors of GST Cell, Railway Board.
4. Managing Director, Centre for Railway Information Systems, Chanakyapuri, New Delhi.
5. Director/Finance, CRIS, New Delhi.
6. GM/F/GSTM, GM/AIMS, CRIS, New Delhi.