



भारतसरकार Government of India
रेलमंत्रालय Ministry of Railways
रेलवेबोर्ड(Railway Board)



RBA No.36/2022
GST Circular No.10/2022

No.2017/AC-II/ 1/6/ GST/ Main/ Vol.III

Dated 22.7.2022

General Managers,
All Zonal Railway/Production Units

Sub: - Guidelines in relation to changes in rates of GST and Withdrawal of exemptions

Ref: - RBA No.33/2022 GST Circular No. 08/2022 dated 5th July 2022

Railway Board vide circular cited under reference circulated the recommendations made by the 47th GST Council Meeting, particularly increase in the GST rates and withdrawal of GST exemptions. These recommendations have been notified vide N. No. 03/2022 Central Tax (Rate) and 04/2022-Central Tax (Rate), both dated 13th of July,2022. Subsequently, a video conference was conducted on July 15, 2022, to apprise Railways about the GST changes, wherein certain queries were raised by the Railways concerning the implementation of these amendments. Pursuant to such queries, amendment-wise detailed guidelines on the practice to be followed by Railways are as under-

I. Applicable GST rate on the existing Work Contract Services

Pursuant to an increase in the GST rates w.e.f. 18th July 2022 e.g., 12% to 18% on supply of works contract services for railways, reference needs to be made to Section 14 of CGST Act. 2017 which deals with the time of supply provisions where there is a change in GST rate for determination of applicable GST rate on such amended GST rate services procured by Railways. Relevant extract of the said section is reproduced hereunder-

“14. Change in rate of tax in respect of supply of goods or services.

... the time of supply, where there is a change in the rate of tax in respect of goods or services or both, shall be determined in the following manner, namely:-

(a) in case the goods or services or both have been supplied before the change in rate of tax,-

(i) where the invoice for the same has been issued and the payment is also received after the change in rate of tax, the time of supply shall be the date of receipt of payment or the date of issue of invoice, whichever is earlier; or

(ii) where the invoice has been issued prior to the change in rate of tax but payment is received after the change in rate of tax, the time of supply shall be the date of issue of invoice; or

(iii) where the payment has been received before the change in rate of tax, but the invoice for the same is issued after the change in rate of tax, the time of supply shall be the date of receipt of payment;

(b) in case the goods or services or both have been supplied after the change in rate of tax,-

(i) where the payment is received after the change in rate of tax but the invoice has been issued prior to the change in rate of tax, the time of supply shall be the date of receipt of payment; or

(ii) where the invoice has been issued and payment is received before the change in rate of tax, the time of supply shall be the date of receipt of payment or date of issue of invoice, whichever is earlier; or

(iii) where the invoice has been issued after the change in rate of tax but the payment is received before the change in rate of tax, the time of supply shall be the date of issue of invoice:

... ”

For the sake of brevity, the rate determination mechanism is hereunder explained wherein works contract service has been procured by Railways on which GST rate has been increased to 18% from 12% w.e.f. 18th July 2022-

- case where service has been supplied before change in GST rate (i.e., before 18.07.2022)
 - where invoice has been issued and the payment is also received after the change in GST rate, new rate i.e., 18% in the present example, shall be applicable
 - where either the invoice has been issued or payment has been received before the change in GST rate, old rate i.e., 12% in the present example shall be applicable
- case where service has been supplied after change in GST rate (i.e., on or after 18.07.2022)
 - where invoice has been issued and payment is also received before change in GST rate, old rate i.e., 12% in the present example, shall be applicable
 - where either invoice is issued or payment is received after the change in the GST rate, the new rate i.e., 18% in the present example shall be applicable

Determination of which case out of the above two is to be referred to determine GST rate i.e., whether the case of supply made before or the case of supply made after change in GST rate, shall be supply specific i.e., shall depend upon the agreed terms of provision of supply such as when service provider is obliged to provide service to Railways and receive payment; when is Railways obliged to pay to the service provider. For ready reference on the determination of applicable GST rate, refer to the below table -

Service Supplied before 18 th Jul'22	Invoice Issued before 18 th Jul'22	Payment Received before 18 th Jul'22	Applicable GST Rate
Yes	No	No	18%
Yes	Yes	No	12%
Yes	No	Yes	12%
No	Yes	Yes	12%
No	Yes	No	18%
No	No	Yes	18%

II. Withdrawal of GST exemption on rail transportation of railway equipment and material (RMC)

Pursuant to the withdrawal of such GST exemption, now GST shall be applicable on the intra-railways rail transportation of railway equipment and materials. GST implications on such transportation shall be similar to the transportation of other goods by rail i.e., @5%. CRIS shall undertake necessary system modifications to ensure automatic capturing of GST in the railway receipt being issued in respect of such transportation without entailing involvement of Railways in preparation of railway receipt for such supply. Here it is imperative to note that where supply of such transportation service is between same GSTIN i.e., supplier GSTIN is same as that of recipient GSTIN even if such GSTIN falls under two Zonal Railways, no GST shall be applicable on such intra-GSTIN self-supply.

Reporting of RMC transportation service in the GST return shall be done as under:

Outward Supply Reporting/GST Liability: Details of such railway receipts shall be considered by CRIS for reporting in FORM GSTR-1 and FORM GSTR-3B of the supplier Railways GSTIN.

Inward Supply Reporting/ITC: ITC pertaining to all such railway receipts in the hands of the recipient Railway shall, by default, be flagged as 'C2'. A list of such ITC shall be shared with the recipient Railways latest by the 12th of the next tax period giving them an option to review such flag depending upon the end use. If changed within the stipulated timeline, such revised ITC flagging will be taken into consideration by CRIS for ITC availment else ITC will be availed basis the default 'C2' flag, post GSTR-2B reconciliations thereof.

III. Withdrawal of GST exemption from the supply of retiring room having declared tariff of a unit up to Rs.1000-

Renting of retiring rooms wherein the value of supply of a unit of accommodation is below or equal to Rs.1000/- per day or equivalent is now liable to GST. However, it is imperative to note that vide S.No. 9 of the Notification No. 12/2017-Central Tax (Rate), any supply of service of Indian Railways, except supply of service by way of transportation of goods or passengers, where consideration for such supply does not exceed Rs. 5,000/-, is exempt from levy of GST.

Tariff slabs for determination of GST rate on retiring room renting w.e.f. 18th Jul'22 are as under-

Tariff – per unit per day or equivalent	GST Rate
Less than or equal to Rs. 7,500/-	12%
Above 7,500/-	18%

Examples to clarify the GST rate applicable on renting of retiring rooms post withdrawal of such Rs.1,000/- per day or equivalent exemption read with the existing threshold of Rs. 5,000/-, are as follows -

Example-1

Tariff - Rs. 900/- per unit per day or equivalent

Duration of Stay - 2 days

Total value of supply - Rs. 1,800/-

GST implications w.e.f 18th Jul 2022 - Exempt, as even if tariff i.e., Rs. 900/- falls under the taxable slab (less than or equal to Rs. 7,500/-), the value of supply i.e., Rs. 1,800/- does not exceed Rs. 5,000/- exemption threshold.

Example-2

Tariff - Rs. 900/- per unit per day or equivalent

Duration of Stay - 6 days

Total value of supply - Rs. 5,400/-

GST implications w.e.f 18th Jul 2022 - Taxable @ 12% as tariff i.e., Rs. 900/- falls under the 12% GST slab (less than or equal to Rs. 7,500/-) and the value of supply i.e., Rs. 5,400/- exceed Rs. 5,000/- exemption threshold.

From the above explanation and examples, it is concluded that no GST shall be applicable on renting of retiring rooms where value of supply does not exceed Rs. 5,000/- irrespective of per unit per day tariff. In case the same exceeds such threshold, GST shall be applicable at the GST rate as per tariff slabs mentioned above.

It is desired that all the Railways and Units must immediately apprise themselves of the aforementioned guidelines and ensure adherence to the same in consultation with their GST consultants.



(Sanjeev Sharma)
OSD/Accounts
Railway Board

Copy to:

1. PFAs All Zonal Railways/Production Units
2. All EDs, ED level empowered Committee in Railway Board
3. All Directors of GST Cell, Railway Board
4. MD, CRIS, Chanakyapuri New Delhi
5. Director/Finance, Director/PS, Director/Operations, CRIS, Chanakyapuri, New Delhi
6. GM/Finance and GSTM, GM/FOIS, GM/PRS, GM/EPS, GM/UTS, GM/Parcel, CRIS, NDLS

Body

Notification No. 03/2022- Central Tax (Rate), F. No. 190354/176/2022-TRU, Dated 13th July, 2022

In exercise of the powers conferred by sub-section (1), sub-section (3) and subsection (4) of section 9, sub-section (1) of section 11, sub-section (5) of section 15, sub-section (1) of section 16 and section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 11/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 690(E), dated the 28th June, 2017, namely:-

In the said notification, -

(A) in the Table, -

(I) against serial number 3, in column (3), -

(a) items (iii), (iv), (v), (va), (vi) and (ix) and the corresponding entries relating thereto in columns (4) and (5) shall be omitted;

(b) against items (vii) and (x), for the entry in column (4), the entry "6" shall be substituted;

(c) in item (xii), for the brackets and figures "(iii), (iv), (v), (va), (vi), (vii), (viii), (ix)", the brackets and figures "(vii), (viii)," shall be substituted;

(II) against serial number 7, in column (3), in item (i), the words "above one thousand rupees but" shall be omitted;

(III) against serial number 8, in column (3), -

(a) after item (vi) and the corresponding entries relating thereto in columns (4) and (5), the following shall be inserted, namely: -

(3)	(4)	(5)
"(via) Transport of passengers, with or without accompanied belongings, by ropeways.	2.5	The credit of input tax charged on goods used in supplying the service has not been taken. [Please refer to Explanation no. (iv)]";

(b) for item (vii) and the corresponding entries relating thereto in columns (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
"(vii) Passenger transport services other than (i), (ii), (iii), (iv), (iva), (v), (vi) and (via) above.	9	-";

(IV) against serial number 9, in column (3), -

(a) for item (iii) and the corresponding entries relating thereto in columns (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
"(iii) Services of Goods Transport Agency (GTA) in relation to transportation of goods (including used house hold goods for personal use) supplied by a GTA where,-		
(a) GTA does not exercise the option to itself pay GST on the services supplied by it;	2.5	The credit of input tax charged on goods and services used in supplying the service has not been taken. [Please refer to Explanation no. (iv)]

The Central Goods and Services Tax Act, 2017 Notification History

Body

Notification No.11/2017 - Central Tax Rate F.No.354/117/2017-TRU Dated 28th June, 2017

In exercise of the powers conferred by sub-section (1) sub-section (3) and sub-section (4) of section 9, sub-section (1) of section 11, sub-section (5) of section 15, sub-section (1) of section 16 and section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the central tax, on the intra-State supply of services of description as specified in column (3) of the Table below, falling under Chapter, Section or Heading of scheme of classification of services as specified in column (2), shall be levied at the rate as specified in the corresponding entry in column (4), subject to the conditions as specified in the corresponding entry in column (5) of the said Table:-

Table

Sl No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	All Services		
2	Section 5	Construction Services		

(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, supplied by way of construction, erection, commissioning, or installation of original works pertaining to,-

- (a) railways, including monorail and metro;
- (b) a single residential unit otherwise than as a part of a residential complex;
- (c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;
- (d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under-
 - (1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;
 - (2) any housing scheme of a State Government;
- (da) low-cost houses up to a carpet area of 60 square metres per house in an affordable housing project which has been given infrastructure status vide notification of Government of India, in Ministry of Finance, Department of Economic Affairs vide F. No. 13/6/2009-INF, dated the 30th March, 2017;

		(xi) Services by way of house-keeping, such as plumbing, carpentering, etc. where the person supplying such service through electronic commerce operator is not liable for registration under sub-section (1) of section 22 of the Central Goods and Services Tax Act, 2017.	2.5	Provided that credit tax charged on goods services has not been [Please refer to Ex no. (iv)].
		(xii) Construction services other than (i), (ia), (ib), (ic), (id), (ie), (if), (iii), (iv), (v), (va), (vi), (vii), (viii), (ix), (x) and (xi) above. Explanation. - For the removal of doubt, it is hereby clarified that, supply by way of services specified at items (i), (ia), (ib), (ic), (id), (ie) and (if) in column (3) shall attract central tax prescribed against them in column (4) subject to conditions specified against them in column (5) and shall not be levied at the rate as specified under this entry.	9	
4	Section 6	Distributive Trade Services; Accommodation, Food and Beverage Service; Transport Services; Gas and Electricity Distribution Services		
5	Heading 9961	Services in wholesale trade. Explanation-This service does not include sale or purchase of goods but includes: - Services of commission agents, commodity brokers, and auctioneers and all other traders who negotiate whole sale commercial transactions between buyers and sellers, for a fee or commission' - Services of electronic whole sale agents and brokers, - -Services of whole sale auctioning houses	9	
6	Heading 9962	Services in retail trade. Explanation- This service does not include sale or purchase of goods	9	

Body

Notification No. 03/2022- Central Tax (Rate), F. No. 190354/176/2022-TRU, Dated 13th July, 2022

In exercise of the powers conferred by sub-section (1), sub-section (3) and subsection (4) of section 9, sub-section (1) of section 11, sub-section (5) of section 15, sub-section (1) of section 16 and section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 11/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 690(E), dated the 28th June, 2017, namely:-

In the said notification, -

(A) in the Table, -

(I) against serial number 3, in column (3), -

(a) items (iii), (iv), (v), (va), (vi) and (ix) and the corresponding entries relating thereto in columns (4) and (5) shall be omitted;

(b) against items (vii) and (x), for the entry in column (4), the entry "6" shall be substituted;

(c) in item (xii), for the brackets and figures "(iii), (iv), (v), (va), (vi), (vii), (viii), (ix)", the brackets and figures "(vii), (viii)," shall be substituted;

(II) against serial number 7, in column (3), in item (i), the words "above one thousand rupees but" shall be omitted;

(III) against serial number 8, in column (3), -

(a) after item (vi) and the corresponding entries relating thereto in columns (4) and (5), the following shall be inserted, namely: -

(3)	(4)	(5)
"(via) Transport of passengers, with or without accompanied belongings, by ropeways.	2.5	The credit of input tax charged on goods used in supplying the service has not been taken. [Please refer to Explanation no. (iv)];

(b) for item (vii) and the corresponding entries relating thereto in columns (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
"(vii) Passenger transport services other than (i), (ii), (iii), (iv), (iva), (v), (vi) and (via) above.	9	-";

(IV) against serial number 9, in column (3), -

(a) for item (iii) and the corresponding entries relating thereto in columns (4) and (5), the following shall be substituted, namely: -

(3)	(4)	(5)
"(iii) Services of Goods Transport Agency (GTA) in relation to transportation of goods (including used house hold goods for personal use) supplied by a GTA where,-		
(a) GTA does not exercise the option to itself pay GST on the services supplied by it;	2.5	The credit of input tax charged on goods and services used in supplying the service has not been taken. [Please refer to Explanation no. (iv)]

The Central Goods and Services Tax Act, 2017 Notification History

Body

Notification No.11/2017 - Central Tax Rate F.No.354/117/2017-TRU Dated 28th June, 2017

In exercise of the powers conferred by sub-section (1) sub-section (3) and sub-section (4) of section 9, sub-section (1) of section 11, sub-section (5) of section 15, sub-section (1) of section 16 and section 148 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby notifies that the central tax, on the intra-State supply of services of description as specified in column (3) of the Table below, falling under Chapter, Section or Heading of scheme of classification of services as specified in column (2), shall be levied at the rate as specified in the corresponding entry in column (4), subject to the conditions as specified in the corresponding entry in column (5) of the said Table:-

Table

Sl No.	Chapter, Section or Heading	Description of Service	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
1	Chapter 99	All Services		
2	Section 5	Construction Services		

		<p>(v) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017 other than that covered by items (i), (ia), (ib), (ic), (id), (ie) and (if) above, supplied by way of construction, erection, commissioning, or installation of original works pertaining to,-</p> <p>(a) railways, including monorail and metro;</p> <p>(b) a single residential unit otherwise than as a part of a residential complex;</p> <p>(c) low-cost houses up to a carpet area of 60 square metres per house in a housing project approved by competent authority empowered under the 'Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;</p> <p>(d) low cost houses up to a carpet area of 60 square metres per house in a housing project approved by the competent authority under-</p> <p>(1) the "Affordable Housing in Partnership" component of the Housing for All (Urban) Mission/Pradhan Mantri Awas Yojana;</p> <p>(2) any housing scheme of a State Government;</p> <p>(da) low-cost houses up to a carpet area of 60 square metres per house in an affordable housing project which has been given infrastructure status vide notification of Government of India, in Ministry of Finance, Department of Economic Affairs vide F. No. 13/6/2009-INF, dated the 30th March, 2017;</p>	6	
--	--	---	---	--

		(xi) Services by way of house-keeping, such as plumbing, carpentering, etc. where the person supplying such service through electronic commerce operator is not liable for registration under sub-section (1) of section 22 of the Central Goods and Services Tax Act, 2017.	2.5	Provided that credit tax charged on goods and services has not been availed. [Please refer to Exemption no. (iv)].
		(xii) Construction services other than (i), (ia), (ib), (ic), (id), (ie), (if), (iii), (iv), (v), (va), (vi), (vii), (viii), (ix), (x) and (xi) above. Explanation. - For the removal of doubt, it is hereby clarified that, supply by way of services specified at items (i), (ia), (ib), (ic), (id), (ie) and (if) in column (3) shall attract central tax prescribed against them in column (4) subject to conditions specified against them in column (5) and shall not be levied at the rate as specified under this entry.	9	
4	Section 6	Distributive Trade Services; Accommodation, Food and Beverage Service; Transport Services; Gas and Electricity Distribution Services		
5	Heading 9961	Services in wholesale trade. Explanation-This service does not include sale or purchase of goods but includes: - Services of commission agents, commodity brokers, and auctioneers and all other traders who negotiate whole sale commercial transactions between buyers and sellers, for a fee or commission' - Services of electronic whole sale agents and brokers, - -Services of whole sale auctioning houses	9	
6	Heading 9962	Services in retail trade. Explanation- This service does not include sale or purchase of goods	9	