

Indian Railways
– Rollout of GST

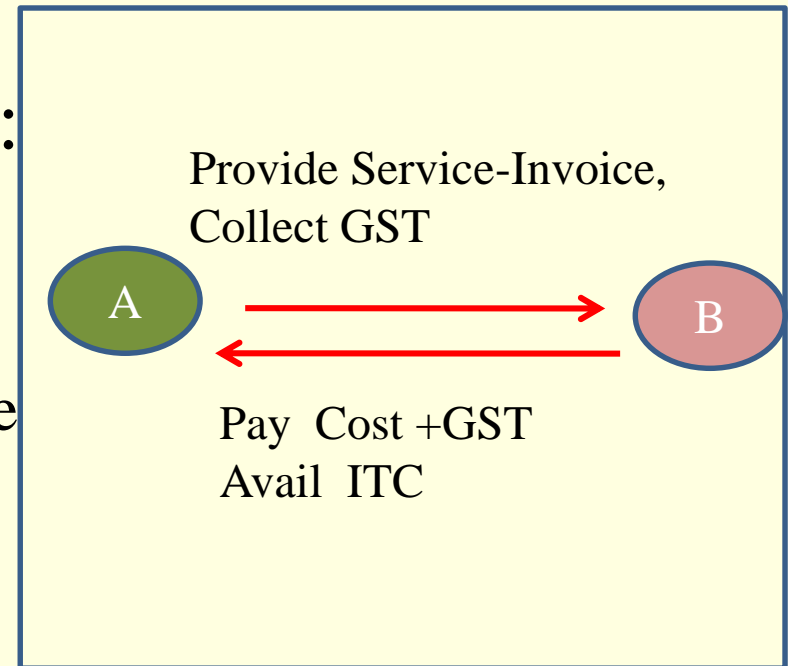
INPUTS FOR TRAINING MODULE (I)

29TH AUGUST 2018

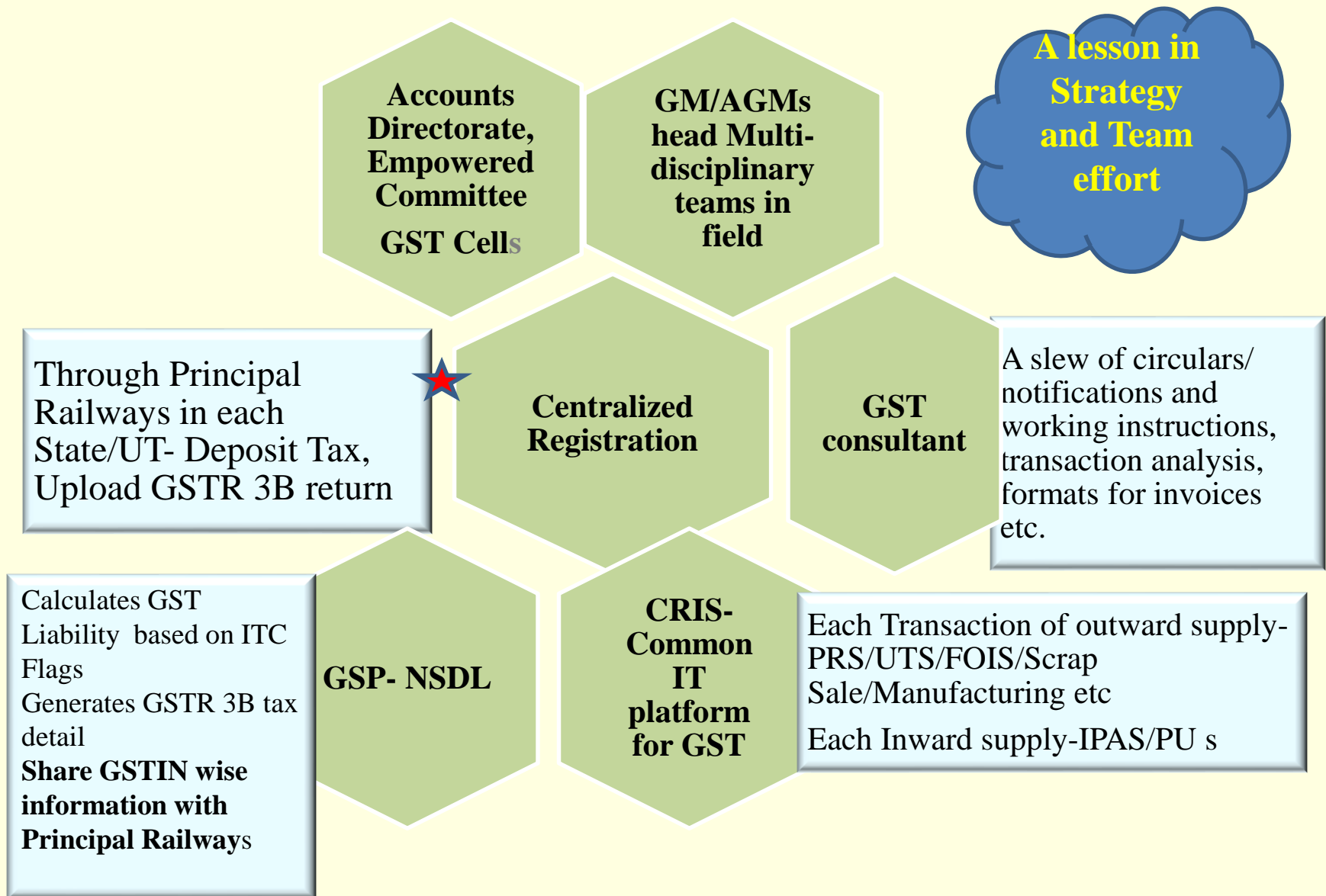
Ministry of Railways

Architecture of GST

- Entirely Electronic
- Transaction based accountal-Generate Invoice for transaction
- Each transaction examined:
 - Two distinct entities
 - Goods or service
 - Forward charge or reverse charge
 - IGST or CGST& SGST/UTGST



GST Implementation Architecture on IR



GST on IR in Practice

<p>Capture GST recoverable on each transaction due</p>	<p>Claim Input Tax Credit as permissible, fully and correctly</p>
<ul style="list-style-type: none"> • PRS/UTS/FOIS/IREPS- Changes in software, generate 41 fields to match invoice, incorporation of GST rates • Logic of GST- IGST v/s CGST&SGST • Manual GST utility set up by CRIS in record time for all residual transactions • Production Units upload through Manual utility • Correct Account of each transaction- Credit Dep. Misc 	<ul style="list-style-type: none"> • Internalize treatment of GST paid- Stores/Works/Services • Differential ITC based on Railway/Workshop/Production Unit • Is GST eligible for ITC?- correct flagging- full/partial/nil ITC • Extensive work on providing filters and check lists
<p>Watch procurement costs, post GST</p>	<p>Resolution of Disadvantageous Rates</p>
<ul style="list-style-type: none"> •IR to ensure that benefit of ITC availed by suppliers passed on to IR •Clauses added in GCC/IRS •Business Process Re-engineering- Free supply, SPVs 	<ul style="list-style-type: none"> •IR faces inverted duty structure- lobbies at work to raise tax on goods under Chp. 86 •Refund restriction on goods under Chapter 86 – Leads to increase in cost of products supplied by vendors

Key GST related Links

Purpose	Website
GST awareness at Central Board of Indirect Taxes and Customs	http://www.cbic.gov.in/
GST CBEC FAQ	https://gstawareness.cbec.gov.in/faq
GST FAQ link at Railways	http://www.indianrailways.gov.in/GST/FAQs.pdf
GST related Railway Board Circulars	http://www.indianrailways.gov.in/railwayboard/view_section.jsp?lang=0&id=0,1,304,366,498,1891
GST User Manual	https://gst.indianrail.gov.in/GSTFrontPage/pdfs/GST_User%20Manual%20_Aug2017.pdf

Nodal Railway for GST Implementation: NR
(FA/HQ)

Centralised IT Architecture
for Implementation of GST: CRIS (GM/F)

Manual Utility

Internet based: www.gst.indianrail.gov.in

Indian Railways GST Information

Home Rules FAQ Important Links **New!** Invoice Form effective from 01 October 2017 Login

वाराणसी जं.
VARANASI JN.
وارانسی جنکشن

Only secure content is displayed. [What's the risk?](#) [Show all content](#) ×

Login Screen



Indian Railways GST Information

CRIS



सत्यमेव जयते

Home

Rules

FAQ

Important Links

New!
Invoice Form effective
from 01 October 2017

Login

GST Online MODULE

<u>LOGIN</u>	
USER ID	<input type="text"/>
PASSWORD	<input type="password"/>
USER TYPE	Railway / PU User
RAILWAY	--Select <input type="button" value="v"/>
	<input type="button" value="Login"/> Forgot Password

GSTIN DETAILS CAN NOW BE MODIFIED FOR OLD AND WRONGLY ENTERED INVOICES

About DR/CR MIS report

- GST returns are filed State wise
- Principal Officers from the designated Railways are nominated to file the GST returns for the assigned State/States
- Books of Accounts are maintained Zone wise
- DR/CR to be raised by Principal Officer against Zonal Railways on whose behalf the Tax is filed whenever a Railway collect the receipts and tax on behalf other Railway/s

Tax liabilities Zone wise

Dr/Cr Adjustments:

Home	Rules	FAQ	Important Links	NEW! Invoice Form effective from 01 October 2017	Login
------	-------	-----	-----------------	---	-------

GST DISTRIBUTION ZONE-WISE							
Principal Officer:	-	Application:*	ALL	<input type="checkbox"/>	Application Group		
Tax Paid For:	ALL	Month-Year:	- 2018	<input type="checkbox"/>	Division		
PRINCIPAL OFFICER: NR	Tax Paid For: NE-North Eastern	Application: ALL	Month Year: 07-2018	<input type="checkbox"/>	State		
Submit		Back					

SNO	TAX PAID FOR	TAXABLE AMOUNT	IGST AMOUNT	CGST AMOUNT	SGST AMOUNT	UGST AMOUNT	CESS AMOUNT	Total GST
1	NE	79,885,652.38	2,546,105.21	750,427.15	750,580.75	-153.60	0.00	4,046,959.51
GRAND TOTAL		79,885,652.38	2,546,105.21	750,427.15	750,580.75	-153.60	0.00	4,046,959.51

Summary of Earning and Tax collected by NR on behalf for NE in July 2018

To be resolved

- Zonal Railways purchase concrete sleepers from sleeper plants on payment of GST for IR & RVNL projects of IR
 - IR supplies (sells) sleepers to RVNL, adjusting advance amount maintained by RVNL with IR
 - IR to issue tax invoice to RVNL as IR is effectively supplying sleepers to RVNL- SET OFF GST BY CLAIMING ITC.
- SPV/ JV companies (PPP model) for rail connectivity and capacity augmentation
 - GST demanded from SPVs on freight apportioned by IR
 - GST invoice sought on O&M charges by IR
 - SPVs Model a financing model. Net adjustments of freight and O&M cost are towards return on investment- matter being pursued with MoF-**Exemption sought on lines of exemption granted to toll charges and annuity (roads and bridges)**
- Transportation of railway materials and equipment by rail or vessel from one place to another place within India is exempt from GST
- No such exemption provided for transportation of such railway materials and equipment by road
- Exemption required to bring transportation of railway materials by road on par with other modes like rail or vessel

Interpretation Issues

- IR provides service of haulage of wagons of Private Container Train Operators (PCTOs). Haulage charge includes 5% towards maintenance. Provision for granting rebate from haulage charges if maintenance is undertaken by entities other than IR
- No separate maintenance service provided by IR but tax demanded from PCTOs on such maintenance @18%
- Stand taken that maintenance of wagons is integral part of haulage service and GST not payable on maintenance

Works Contracts- GST on Rail Infra

- **Works contract services provided to IR attract 5% GST if earthwork is predominant (75% or more by value)- Intention to benefit labour centric contracts but most of IR contracts cannot fulfil criterion of pre-dominance of earth work**
 - **Contracts however would need to be restructured in line with law**
 - **Case for seeking 5% on rail infrastructure- No ITC- Logistics**
- **MRVC: All types of Railway contracts (works, supply of goods, composite supplies, works contracts) should be placed in the tax slab of 5% for organizations like MRVC**
- **Treatment of pre GST Contracts- Works Directorate letter**

Thank you