



GST Training for Indian Railways

August 29, 2018

Modules for Training

1. Overview of GST
2. Input Tax Credit
3. IT Architecture
4. Transactional Issues
5. GST Audit

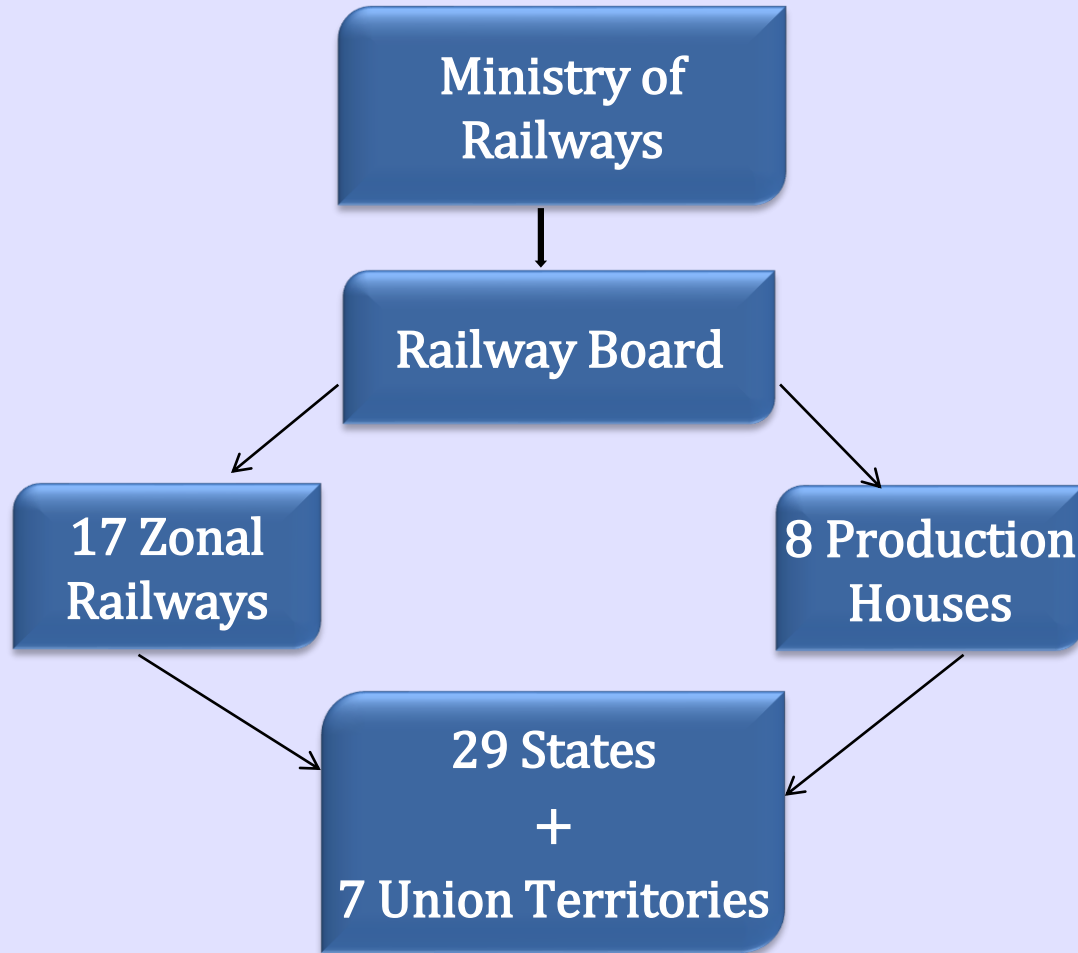
If user have any queries at their end, it may please be addressed to the following email ID with complete facts, figures and information.

v.prakash@nic.in

Module 1:

Overview of GST

GST and Indian Railways- Complex Structure



Challenges:

1. IR exercise control over its operations through **various Zonal Railways**.
2. One State may fall within the jurisdiction of more than one Zone.
3. Books and records are maintained **zone wise**.
4. GST allow **state wise** registration.
5. Representation to MOF for allowing Zone based registration in vain .

Actions taken:

1. IR took registration in all States and Union Territories except Lakshwadeep.
2. Nodal officer were appointed by RB for all GSTINs.

Various Taxes under GST

Goods and
Services Tax

One tax in many forms

CGST

SGST

UTGST

IGST

Compensation
Cess

Meaning of Supply

Supply means

Any sale, transfer, barter, exchange, etc. +
in the course or furtherance of business+
for consideration

Includes

- Import of services for a consideration
- Supplies without consideration ([Schedule I](#))

Excludes

- Activities not to be treated as Supply ([Schedule III](#))
- Activities undertaken by Central/ State Govt/ Local authority as notified - not to be treated as Supply

Major Supplies by IR

Description

Rate of Tax

Transportation of Passenger	5%
Transportation of Goods	5%
Renting of Retiring Rooms	0/12/18/28%
Way Leave Charges	18%
Sale of Rail Coaches	5%
Intra IR supply of goods	Exempt
Sale of Unclaimed Goods/ Scraps	As applicable on Goods



Schedule I - Supply without a consideration

Schedule I

Permanent transfer/ disposal of business assets where input tax has been availed on such assets

Supply between related persons or distinct persons specified in section 25, when made in the course or furtherance of business

Gift not exceeding fifty thousand rupees in value in a financial year by an employer to employee to not to be treated a supply of good or services or both

Supply of goods

1. By principal to agent where agent undertakes to supply such goods on behalf of the principal
2. By agent to principal where agent undertakes to receive goods on behalf of principal

Importation of services by taxable person from related person or any of his establishments outside India, in the course or furtherance of business



Schedule III - Activities or transactions which are neither Supply of Goods Nor Supply of Services

Employment

- Services by an employee to an employer in the course of or in relation to his employment

Courts

- Services by any court (including district court, high court and supreme court) or tribunal established under law for the time being in force

Funeral

- Services of funeral, burial, crematorium or mortuary including transportation of the deceased

Elected Representatives/ Government officials

- Functions performed by an MP, MLA, members of panchayats, municipalities and local authorities
- Person who hold post under constitution
- Duty by any person as chairman/member/director in a body established by CG/ SG or local authorities

Actionable Claim

Other than Lottery.

Sale of Land and Building

Sale of land and, subject to 5(b) of Schedule II, sale of building



Nature of Supply

▶ Inter-state Supply

- ▶ Location of Supplier and Place of Supply are in-
 - ▶ Two different States
 - ▶ Two different Union territories
 - ▶ A State and a union territory
- ▶ Special Economic Zone
- ▶ Any supply in taxable territory not being an intra-state supply and not covered elsewhere

IGST

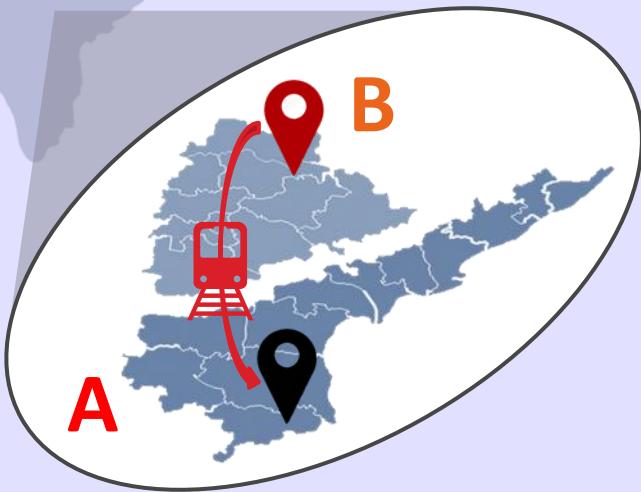
▶ Intra-state Supply

- ▶ Location of Supplier and Place of Supply are in-
 - ▶ Same States
 - ▶ Same Union territory

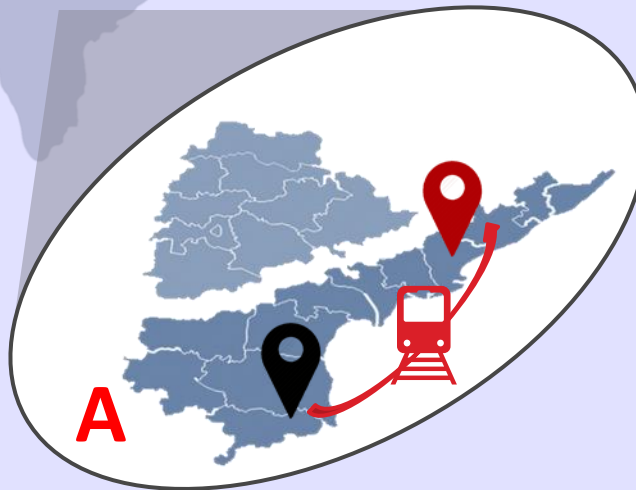
CGST + SGST/UTGST

Applicability – CGST, SGST, UTGST and IGST

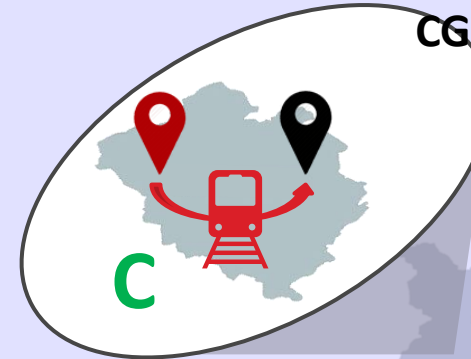
**IGST Transaction
(Inter State Supply)**



**CGST+SGST Transaction
(Intra State Supply)**



**CGST + UTGST Transaction
(Intra State Supply)**



Location of Supplier



Place of Supply

A

Andhra Pradesh

B

Telengana

C

Chandigarh

Composite & Mixed Supply

Composite Supply

- Supply comprising of two or more **taxable** supplies
 - Naturally bundled
 - Supplied in conjunction with each other
 - One of which is a principal supply
- ✓ Supply shall be treated as a supply of such principal supply

(e.g. Goods + Transportation + Transit Insurance)



Mixed Supply

Supply comprising of two or more individual supplies made in conjunction with each other for a single price, not being a composite supply.

- ✓ Supply shall be treated as a supply of that particular supply which attracts the highest rate of tax

(e.g. Pack containing juices, chocolates, soft drinks, fruits and chips)



Tax Charge Mechanism

Forward Charge Mechanism

- Forward charge is the mechanism where supplier of goods and/or services is liable to discharge tax liabilities.

Reverse Charge Mechanism

- Reverse charge is the mechanism where recipient of goods and/or services is liable to discharge tax liabilities.

**Tax Charge Mechanism
on
Major Supplies by IR**

S. No.	Supply	Tax Charge Mechanism
1	Transportation of Passengers	Forward Charge
2	Transportation of Goods	Forward Charge
3	Renting of Retiring Rooms	Reverse Charge*
4	Way Leave Charges	Reverse Charge*
5	Sale of Rail Coaches	Forward Charge
6	Sale of Scraps	Reverse Charge

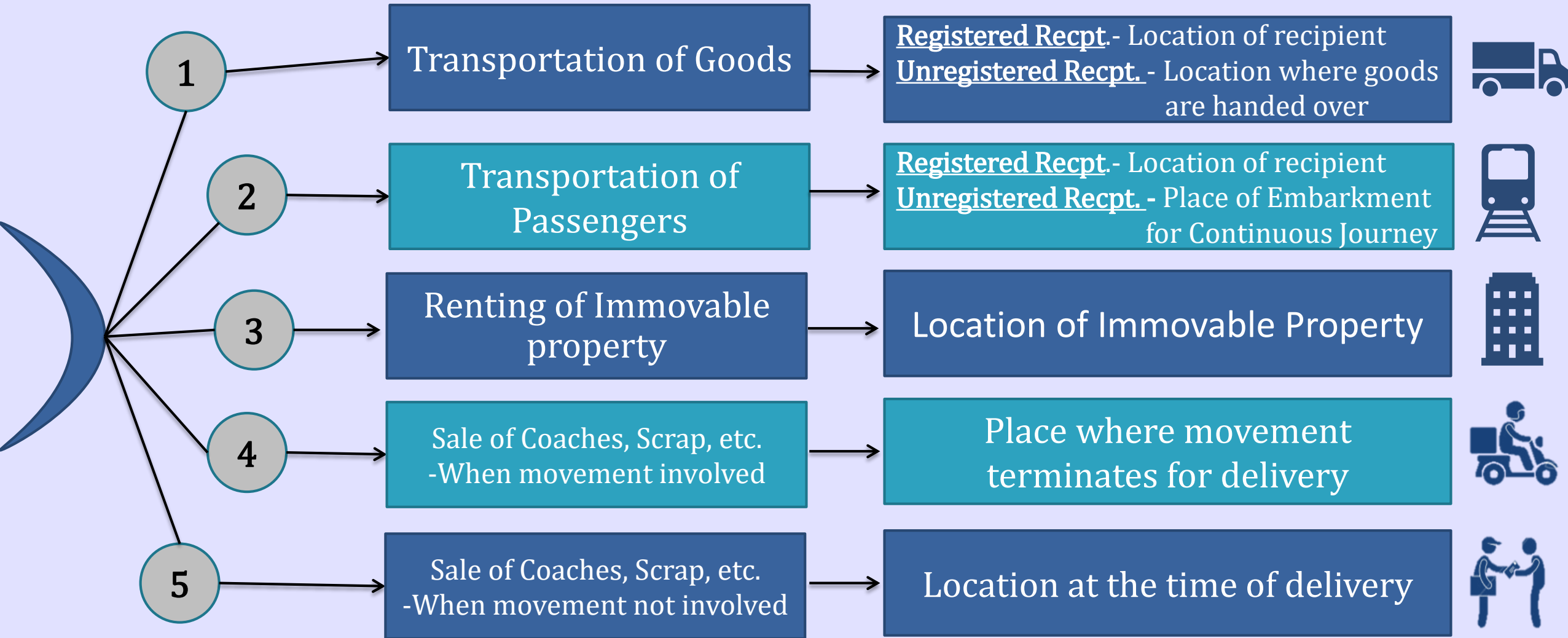
* Summary on Reverse Charge Applicability on Renting of Immovable Property by IR in next slide

Summary with respect to Renting of Immovable Property

Supply of Renting of Immovable Property by Indian Railways-

- (1) To **registered business entities** is covered under **Reverse Charge**
- (2) To **unregistered business entities** is to be taxed under **Forward Charge**
- (3) To **non business entities** is **Exempt** from levy of GST

Place of Supply



Invoice Issuance – Time limit

Services

Goods/Passenger
Transport Services, etc.

- Within 30 days from date of supply of services

Intra Railway Supplies

- Before or at time of recording of such supply in books of Accounts of IR
- or
- Before expiry of the quarter during which the supply is made (whichever is earlier)

Goods

Sale of Coaches,
Scrap, etc.

- Before/at time of removal of goods (where movement involved)
- Before/at time of delivery of goods (where movement not involved)

Time of Supply for Goods

Taxable under Forward Charge

Earlier of

Date of issuance of invoice

Last date on which invoice has to be issued

Date of receipt of payment*

(not relevant - N/N: 66/2017- CT)

Sale of Coach



26/07/2018

Date of Invoice
26/07/2018

Last date to Issue
Invoice
25/08/2018

Date of Receipt
of payment
24/07/2018

**Time of Supply
26/07/2018**

Taxable under Reverse Charge

Earlier of

Date of receipt of goods

Date when payment is made

Date immediately following 30 days from the date of invoice

Purchase of Silk
Yarn



Invoice Date
26/07/2018

Date of Receipt
31/07/2018

Date of Payment
2/09/2018

30 days from
Invoice Date
25/08/2018

**Time of Supply
31/07/2018**

Time of Supply for Services

Taxable under Forward Charge

Invoice issued in 30 days

Earlier of:

- Date of issuance of invoice, or
- Date of receipt of payment

Invoice not issued in 30 days

Earlier of:

- Date of provision of service, or
- Date of receipt of payment

Transportation of Goods by Rail Service



Date of Provision
of Service
25/08/2018

Date to Issue
Invoice
31/08/2018

Date of Receipt
02/09/2018

Time of Supply
31/08/2018
(Invoice issued
in 30 days)

Taxable under Reverse Charge

Earlier of

Date of payment

Date immediately following 60 days from the date of
invoice

In case of Intra IR Supplies, date of entry in the books
of accounts of recipient of supply

GTA Service



Invoice Date
25/07/2018

Date of Payment
25/10/2018

60 Days
23/09/2018

Time of Supply
23/09/2018

Types of Documents under GST

S. No.	Documents	Purpose of Documents	IR Specific Documents
1.	Invoice	Taxable Supply	RR, Tickets (AC/First Class Coaches)
2.	Bill of supply	Exempt supply	RR, Tickets (Non AC Coaches)
3.	Delivery Challan	Transportation of goods without issue of invoice	Delivery Challan
4.	Debit Note	Amend the value of tax invoice on the higher side	Excess Fare Ticket
5.	Credit Note	Amend the value of tax invoice on the lower side	Cancelled RR, Tickets
6.	Advance Receipt voucher	On receipt of advance	Advance Receipt voucher
7.	Refund Voucher	On repayment of advance received due to non supply	Refund Voucher

Details to be mentioned in Invoice

Name, Address and GSTIN of Supplier	Consecutive Serial no. (unique for a FY)	Date of Issuance of Invoice	Place of supply (State Name) & code	Place of Delivery (if different from Place of Supply)
HSN Code of Goods/Accounting code of services	Recipient Details - B2B: Name, Add. & GSTIN B2C: Name, Address (State Name & Code) – If taxable value < 50,000/-	Description of goods/services	Quantity in case of goods and unit	Taxable value of goods/ services
Rate of Tax	Amount of tax charged	Total value of goods/ services	Tax payable on Reverse Charge Basis	Signature/Digital Signature

*Line Item Reporting : Invoice containing more than one tax rate / one HSN code to be mentioned separately

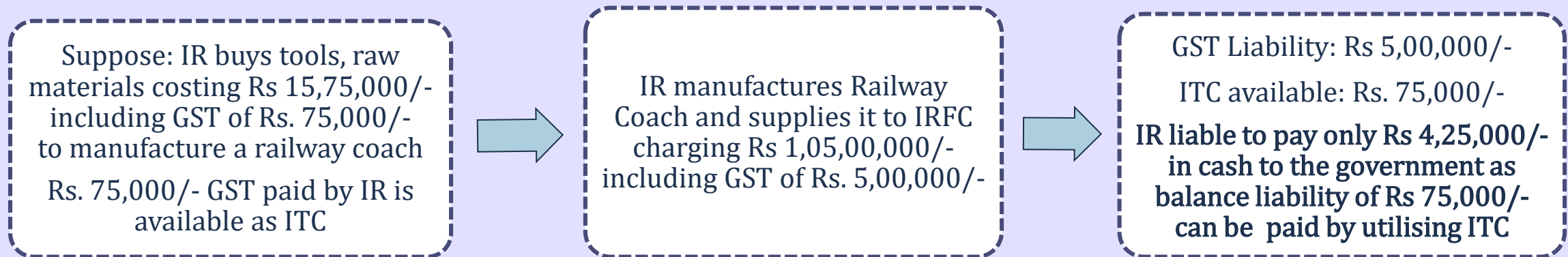
Module 2

Input Tax Credit

What is Input Tax Credit?

IR shall, subject to certain conditions, be entitled to take credit of input tax charged on any supply of goods or services to IR which are used or intended to be used in the course or furtherance of its business and the said amount shall be credited to the electronic credit ledger of IR.

We can understand the concept of ITC with the help of following example-



- GST paid by IR on its procurements is available ITC subject to conditions.
- ITC availed by IR can be utilised against its GST liability arising on account of outward supplies.
- However, ITC availed can not be utilised against all kind of GST liabilities. There are certain restrictions in the manner of utilization of ITC to pay off GST liability.

Relevant Definitions

- “Input” means any **goods other than capital goods** used or intended to be used by a supplier in the course or furtherance of business.

Major Input (Goods) procured by IR

S. No.	Inputs (Goods)	ITC Credit Eligibility		
		Full Credit (Flag T4)	Partial Credit (Flag C2)	No Credit (Flag T1/T2/T3)
1	Parts used to manufacture coaches/wagons for sale to IRFC e.g. Transformers, Steel, Wires, Bearings, etc.	√		
2	Parts used as repair & maintenance of coaches/wagons			X*
3	Cements etc. for construction of Immovable Property e.g. Bridges			X
4	Medicines			X

* No credit is being availed as credit cannot be utilised for rail transportation

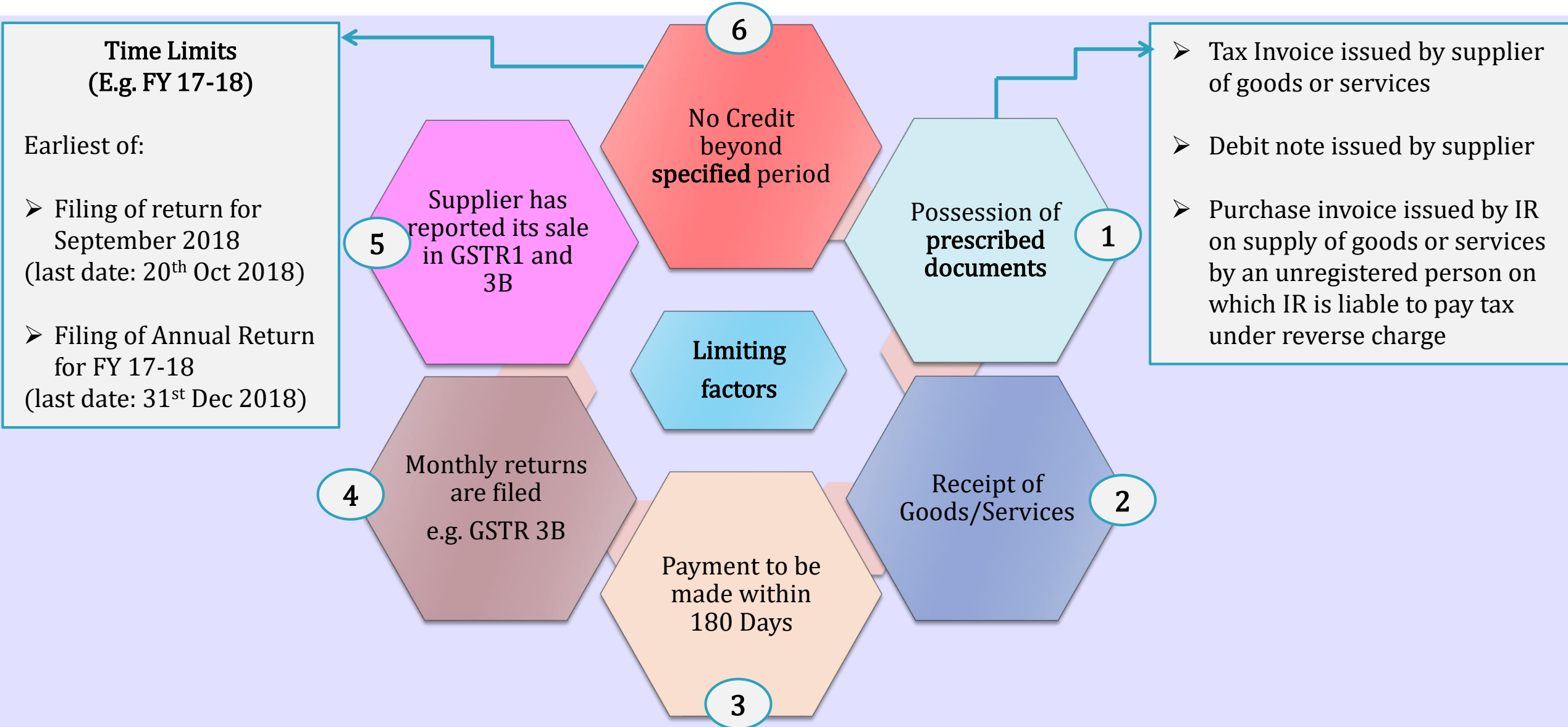
Relevant Definitions (Cont.)

- “Input service” means any service used or intended to be used by a supplier in the course or furtherance of business

Major Input Services procured by IR

S. No.	Inputs (Goods)	ITC Credit Eligibility		
		Full Credit (Flag T4)	Partial Credit (Flag C2)	No Credit (Flag T1/T2/T3)
1	Cleaning/Housekeeping Services at Station or Coaches		√	
2	Services in relation to construction of Immovable Property e.g. Staff Quarters			X
3	GTA Services		√	
4	Services used for manufacturing of coaches		√	
5	Works contract services for Laying of Railway Tracks		√	

Conditions for availment of ITC by IR



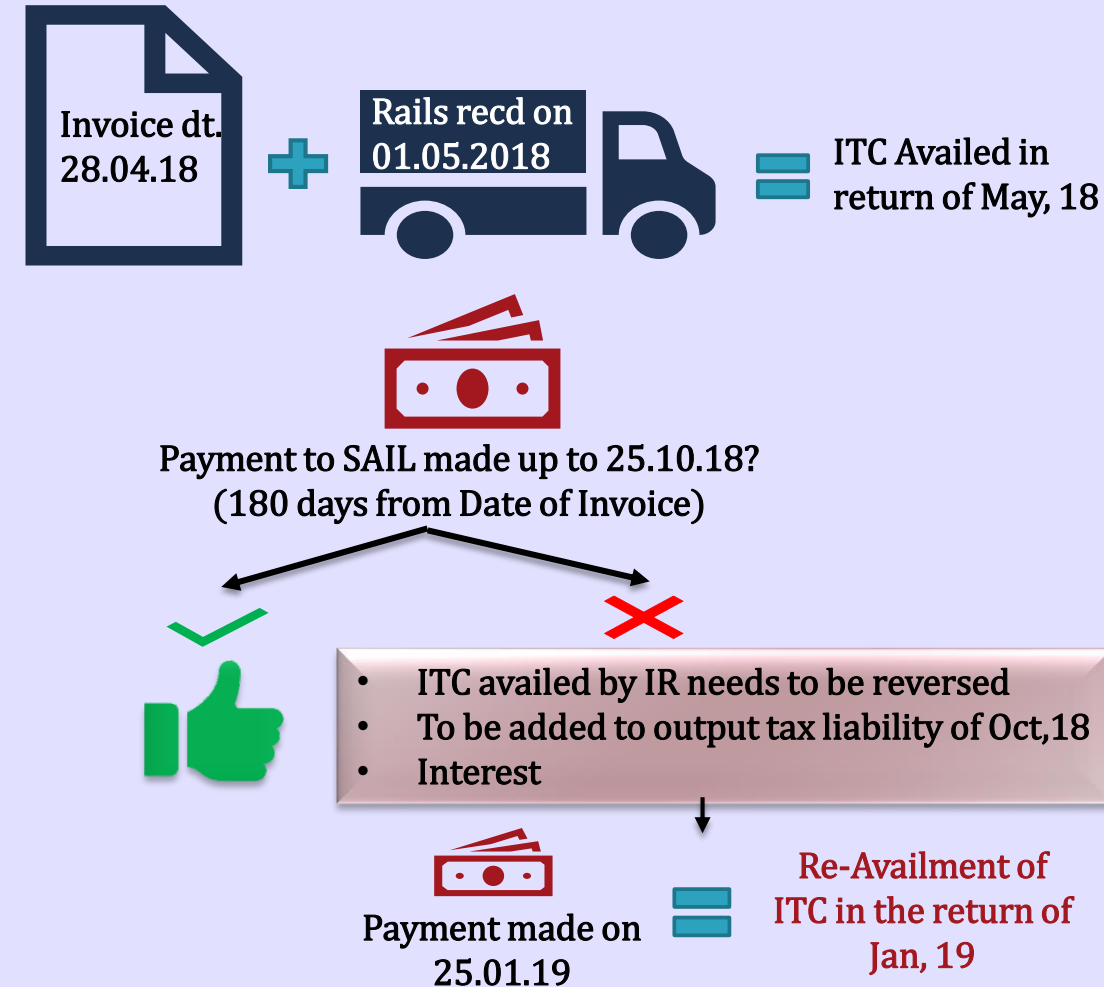
Conditions for availment of ITC (Cont.)

IR fails to pay to the supplier of goods or services the amount towards the **value of supply along with tax payable** within a period of 180 days from the date of Invoice.

ITC availed on such invoices is to be reversed by adding it in the output tax liability, along with interest.

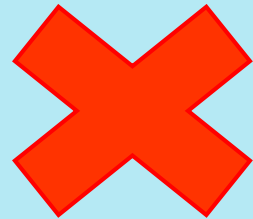
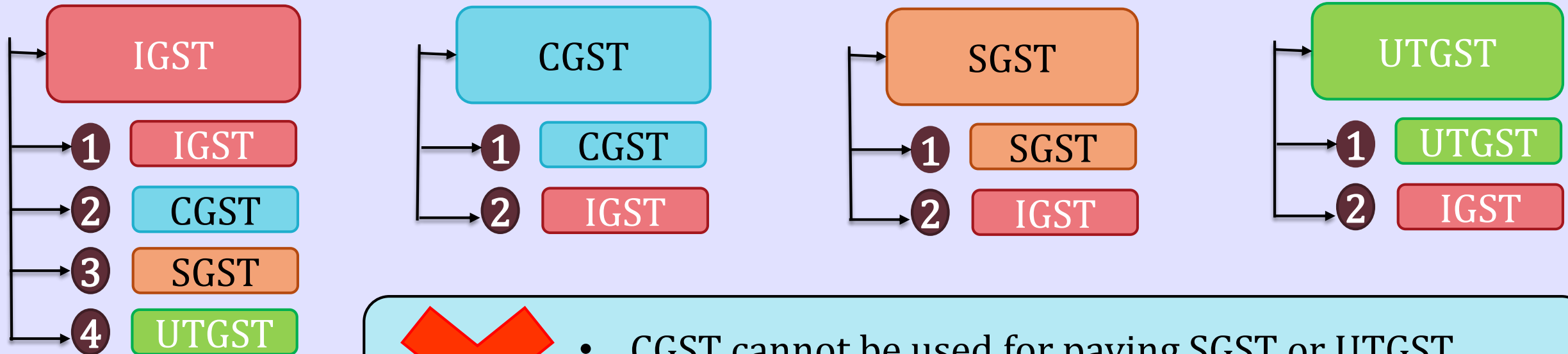
IR can re-avail credit once payment of consideration towards value of supply along with tax portion is made to supplier.

Takeaway: Re-credit option available but interest paid would be a cost



Manner of Utilization of ITC for Tax Payment

The amount of ITC available in the ledger shall be utilized in the following order of utilization:



- CGST cannot be used for paying SGST or UTGST
- SGST or UTGST cannot be used for paying CGST



As per The Central Goods and Services Tax (Amendment) Bill, 2018 passed by Lok Sabha, the Government may, on the recommendations of the GST Council, **prescribe the order and manner of utilization of the ITC** on account of IGST, CGST, SGST/UTGST, as the case may be, towards payment of any such tax.

Blocked Credits [Section 17(5)]– IR Specific

**Car/ Taxi taken on
hire**

**Food and
beverages
Except provided at
stations/ in trains**

**Works Contract
Service, Goods or
services used in
construction of
any Immovable
Property ***

**Inputs used for
providing
Transportation
Services****

**Membership of a clubs, health and
fitness centers**

**Motor Vehicles & other
conveyances except when used
for-**

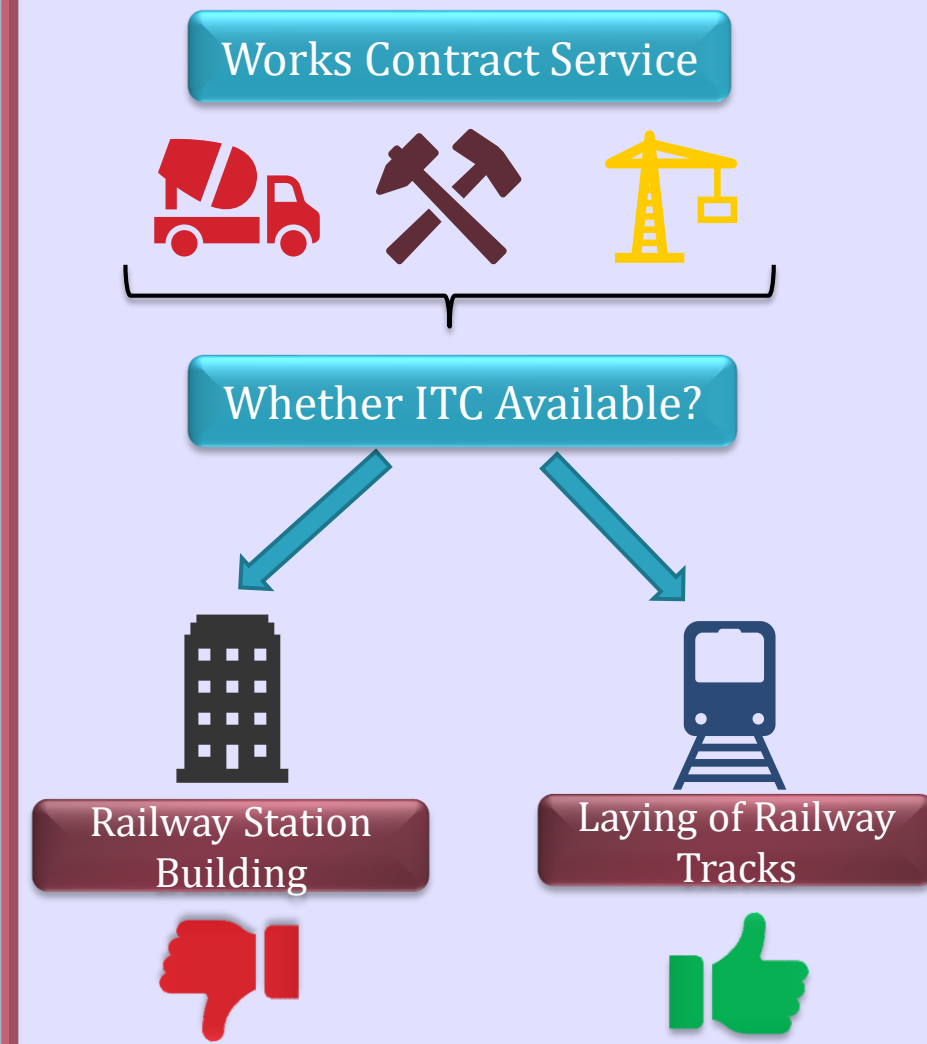
- **Transportation of passengers
(Taxable)**
- **Transportation of goods**

* “construction” includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalization, to the immovable property

**5% GST rate on transportation service by IR provided no credit is taken in respect of inputs. (N. No. 11/2017- CT(R) dated 28.06.2017)

ITC on Works Contract Service for laying of Railway Track

- ITC is not available in respect of the **works contract services** when supplied for construction of **immovable property** such as Retiring Rooms, etc.
- However, there is no bar to ITC in respect of works contract services supplied for construction of an immovable property which is in the **nature of a plant & machinery** such as Laying of Railway Tracks.
- “Plant & Machinery” has been defined to mean -
 - apparatus, equipment, and machinery fixed to earth by foundation
 - used for making outward supply
 - exclude land, building or any other civil structure
- Railway tracks consisting of the **rails & sleepers** is “Plant” and ITC of works contract service of laying railway track will be **eligible**.



ITC Utilization-Check List

Sl. No.	Nature of goods / services	ITC Flagging	Utilization ITC (Y/N)	Remarks
1.	Goods procured for capital works such as manufacturing of coaches, wagons, locomotives for sale to IRFC	T4 – full Credit	Y	To be utilized only for discharging GST liability on outward supply of finished goods to IRFC on payment of 5% GST and not to be utilised for discharging GST liability on Goods and Passenger transportation services by respective GSTIN.
2.	Services provided by various contractors for capital works such as manufacturing of coaches, wagons, locomotives for sale to IRFC	T4 – full Credit	Y	No restriction.
3.	Goods procured for use in repairing wagons, coaches, locomotives etc.,	T3-No Credit	N	ITC pertains to these purchases not to be utilised for discharging GST liability on Goods and Passenger transportation services by respective GSTIN.
4.	Services received at workshop in relation to procurement of goods for repair of coaches, wagons, locomotives, etc.	C2 – Partial Credit	Y	No restriction

ITC Utilization-Check List (Cont.)

Sl. No.	Nature of goods / services	ITC Flagging	Utilization ITC (Y/N)	Remarks
5.	Services provided by various contractors in relation to repair of wagons, coaches, locomotives, etc.	C2 – Partial Credit	Y	No restriction
6.	Procurement of goods and services for creation of new assets which are in the nature of Immovable Property (other than plant and machinery) like Bridges, Tunnels, Roads, Buildings etc.	T3- No Credit	N	Not to be availed. Respective accounting codes can be mapped as T3 – No credit in order to avoid wrong availment of credit on these line items
7.	Procurement of goods relating to Plant and Machinery like Railway track, Signalling and Telecommunication equipments, lathe machines, cranes.	T3- No Credit	N	Not be utilized for discharging GST liability on Goods and Passenger transportation services by respective GSTIN
8.	Procurement of works contract services, repair and maintenance services, etc. relating to laying of railway track (Plant and Machinery)	C2- Partial Credit	Y	Can be utilized for discharging GST liability on Goods and Passenger transportation services by respective GSTIN

ITC Utilization-Check List (Cont.)

Sl. No.	Nature of goods / services	ITC Flagging	Utilization ITC (Y/N)	Remarks
9.	Goods Transport Agency services	C2- Partial Credit	N	In this case, both the consignor and consignee, being Indian railways, GST on GTA services to be discharged by IR. If the GTA service provider discharges GST under forward charge(12%) then IR is not liable to pay GST to the department under RCM but in any case, tax paid can be availed as credit.
10.	Taxi hire by IR at different locations by the staff / officers for any use.	T3 – No Credit	N	ITC on Rent-a-cab service is covered under the negative list as per Section 17(5) of CGST Act, 2017 and hence no credit is available on this service. Respective accounting codes can be mapped as T3 – No credit in order to avoid wrong availment of credit on these line items.
	All goods and services received and used exclusively for making exempt outward			

Apportionment of ITC- Flag C2 Credits

- ❑ Where credit is attributable to goods and/or services which are used partly for taxable supplies and partly for non-taxable supplies, credit is restricted to so much of the input tax as is attributable to taxable supplies.
- ❑ **Flag C2- Partial Credit-** It comprises of credits of such goods and/or services which are used partly for taxable supplies and partly for non-taxable supplies. Ineligible portion of ITC needs to be reversed using the following formula-

$$\text{Ineligible ITC} = \text{Amount of credit flagged under C2} \times \frac{\text{Exempt Supplies}}{\text{Taxable Supplies} + \text{Exempt Supplies}}$$

Exempt Supplies includes-

- Supplies which are exempted from tax e.g. Intra IR transfer of goods, Transport of passengers in non air-conditioned coach
 - Supplies not covered under GST Act e.g. Diesel, etc.
 - Supplies which are liable to RCM. e.g. Renting of Immovable Property, etc.
 - Supplies which attracts nil rate of tax.
- ✓ **Capturing of exempt supplies is necessary for computation of correct amount of eligible credit.**
- **Non compliance will attract interest**

Apportionment of ITC - Capital Goods

Exclusively used for
providing exempted
supplies

No credit

Exclusively used for
providing taxable
supplies

Full credit

Used for making
partly exempt &
partly taxable
supplies

Full credit in the month of purchase
Subsequent reversal of ITC towards exempt supplies

$$\text{Amount to be Reversed monthly} = \frac{\text{Amount of ITC taken}}{60 \text{ (5 years deemed as useful life)}} \times \frac{\text{Exempt Turnover of relevant month}}{\text{Total Turnover of relevant month}}$$

- Amount to be reversed along with applicable interest to be added to output tax liability during every tax period

Module 3

IT Architecture

Inward Side – IPAS

- i.- 100% automation to record inward data
- ii.- Exhaustive data capturing

Outward side - PRS/PMS/IREPS/UTS/FOIS/ Manual utility

- i.- 100% supplies were not automatically captured
- ii.- Manual Utility for station level manual data
- iii.- Majority exempt supplies remains uncaptured.

Role of CRIS

- i. On time data collation
- ii. Data Sharing through URL
- iii. Need based MIS Reports

NSDL - the GSP Service provider

- i. Processing of data received from CRIS
- ii. Validation check of data before filing of returns
- iii. Assistance in finalizing data for filing GSTR-3B Return

IPAS

IPAS

- System Software to record inward transactions
- 100 % data captured
- ITC also captured
- ITC flagging is the key feature

PRS / UTS

PMS

FOIS

PRS- Passenger Reservation

PMS- Parcel management

FOIS- records good transactions

IREPS- caters procurements through tender

IREPS

MANUAL
UTILITY

Manual Utility

- For recording division and station level data
- Captures all postal baggage and MR transactions.
- Exempt supplies not fully captured.

NSDL

- Processing of data
- Validation check to avoid last moment rush
- Generate data in respective returns
- Share GSTIN wise information with Zonal Railway

IT Architecture- How is it helping?

- Avail eligible credit on time and save unnecessary stress on working capital
- Partial credit flagged as ITC Flag C2- Compute eligible ITC correctly
- Less burden on the users to clear last moment rush
- Avoid delay in filing of return
- Can save transaction cost: Interest and late fees
- Assistance in GST Audit



Manual Utility

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



Login Screen



Indian Railways GST Information



[Home](#)[Rules](#)[FAQ](#)[Important Links](#)

New!
Invoice Form effective
from 01 October 2017

[Login](#)

GST Online MODULE

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

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

GST Utility Main Page



Indian Railways GST Information



Home

Rules

FAQ

Important Links

Invoice Form ^{New!} effective from 01 October 2017

Login

Add Invoice

Bulk Upload

User Maintenance

MIS Reports

Utility Rejected Data

Invoice Modification


Logout

GST



GOODS AND SERVICES TAX

Add Invoice

- New Invoice
- Advance
- Refund
- Adjustments
 - Debit
 - Credit



Indian Railways GST Information



Home	Rules	FAQ	Important Links	Invoice Form effective from 01 October 2017	Login
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1. Transaction Type:*	--Select Transaction	2. Transaction Mode:*	--Select Transaction	Supplier Name: Ministry of Railway	
3. Old Invoice No.:*		4. Transaction Made at:*	--Select Transaction		
5. Station/Cash Office Name:*		6. Railway Department:*	--Select Department		
7. Zone:*	--Select Zone/PU	8. Division:*		9. State:*	--Select Transaction
10. Goods and Services Transaction Description:					
11. Recipient's Details					
11.1 Name:					
11.2 Registered with GSTIN(Y/N):*		11.3 GSTIN:			
11.4 Is Tax payable on Reverse Charge Basis(Y/N):*		11.5 State of Registration:		--Select State	
11.6 Registered Address:					
11.7 Email Id:		11.8 Phone:			
11.9 Address of Place of Supply:					
11.10 Address of Place of Delivery:					
11.11 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 Issue Date:*		2. Station/Cash Office Code:*			
3. MR/PW No.:*		4. Invoice No.:*			
5. State Code of The Supplier:*	--Select State Code	6. GSTIN(State-Rly):*			
7. Accounts Allocation Code:*	--Select Accounts All	8. Department Code:	--Select Department		
9. Transaction Category(select applicable):*	--Select Transaction Category				
10. Railways GSTIN Registered Address:*					
11. State of Place of Supply:*	--Select State of Supply				
12. Code Type:*		13. SAC/HSN Code:*			
14. Quantity:		15. Units(UQS):		16. Applicable Taxes:*	--Select Applicable Taxes
17. Invoice and Tax Charged Details					
17.1 Total Value of Supply:		17.2 Total Taxable Value:			
17.3 IGST Rate:		17.4 IGST Amount:			
17.5 CGST Rate:		17.6 CGST Amount:			
17.7 SGST Rate:		17.8 SGST Amount:			
17.9 UGST Rate:		17.10 UGST Amount:			
Submit Invoice Details Reset Back Print					

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Input Form for Manual Utility

This form has to be used for the invoices issued from 01/10/2017 onwards. Version 1.5.1, 29/09/2017

Form for Entry for GST Manual Transactions of Receipt		
Part A. To be filled by Representative of Vendor / Contractor (Recipient)		
1. Transaction Type:	2. Transaction Mode: Goods <input type="checkbox"/> / Services <input type="checkbox"/>	
3. Old Invoice No. :	4. Transaction Made at: Station <input type="checkbox"/> / Cash Office <input type="checkbox"/>	
5. Station / Cash Office Name:	6. Railway Department:	
7. Zone:	8. Division:	9. State:
10. Goods and Services Transaction Description: (e.g. Parcel, EFT, Sale of Scrap & Loco etc.)		
11. Recipient's Details		
11.1 Name:		
11.2 Registered with GSTIN (Y/N):		11.3 GSTIN:
11.4 Is Tax Payable on Reverse Charge Basis (Y/N):		11.5 State of Registration:
11.6 Registered Address:		
11.7 Email Id:		11.8 Phone:
11.9 Address of Place of Supply:		
11.10 Address of Place of Delivery:		
11.11 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/PW No.:	4. Station / Cash Office Code:	
5. GSTIN (State-Rly):	6. State Code of The Supplier:	
7. Accounts Allocation Code:	8. Department Code:	
9. Transaction Category (select applicable): Regular <input type="checkbox"/> / Exempted <input type="checkbox"/> / Non-GST <input type="checkbox"/>		
10. Railway's GSTIN Registered Address:		
11. State of Place of Supply:		
12. Code Type: Service Accounting <input type="checkbox"/> / HSN <input type="checkbox"/>		13. SA / HSN Code:
14. Quantity: (e.g. 10,100,1000 etc)	15. Units (UQC): (e.g. Kgs, tonnes, etc)	16. Applicable Taxes: Inter-State <input type="checkbox"/> / Intra-State <input type="checkbox"/>
17. Invoice and Tax Charged Details		
17.1 Total Value of Supply :		17.2 Total Taxable Value:
17.3 IGST Rate:		17.4 IGST Amount:
17.5 CGST Rate:		17.6 CGST Amount:
17.7 SGST / UGST Rate:		17.8 SGST / UGST Amount:

(Signature of Railway Official)

(Stamp)

Instructions to fill up the Utility

This form has to be used for the invoices issued from 01/10/2017 onwards.
Instructions to fill the format

Version 1.5.1, 29/09/2017

Part A

1	Collection / Refund / Advance / Debit Adjustment / Credit Adjustment	2	Select applicable: Goods or Services
3	Required in case of Refund / Adjustment	4	Transaction made at station or Cash office
5	Name of Cash Office / Station of transaction	6	Commercial, Civil Engineering, Parcel, Production Unit etc
7,8,9	Division / Zone/ State of place of transaction	10	Parcel, TTE's return, Advertisement, Sale of scrap, coaches etc.
9. Recipients Details			
9.1	Name of the recipient	9.2	Recipient Registered with GSTN or not
9.3	If registered, GSTIN No. of recipient	9.4	As defined in the GST law, if applicable
9.5	State where Recipient is registered	9.6	GSTIN registered address of recipient
9.7	Email id for communication purpose	9.8	Contact number of recipient
9.9	Address where service is rendered	9.10	Address where service is delivered
9.11	Name / Signature of recipient / representative of service received		

Part B

1	16 character invoice number to be generated	1. MR issued by Station / Cash Office	
		2. Manual Parcel Way Bill issued by Station	
		First 2	YY (year)
		Next 2	Department code / PU
2	Invoice issue date in dd/mm/yyyy format	Next 2	Zones code as detailed below (PU to put zone to which they are attached for GST)
		Next 10	MR / Parcel Way bill no. Should be preceded by zeros, if size is less than 10
		3	Money Receipt / Parcel Way Bill No.
4	Station / Cash Office name	5	Registered GSTIN of the State-Rly of the station where supply is being made
6	State Code is the first two chars. of GSTIN	7	As per Indian Railways Finance Code Vol. II ³
8	Department code as detailed below	9	Select the applicable transaction category
10	GSTIN Registered address of Railway	11	State where supply is made
12	Whether, mentioned value is SAC or HSN	13	Service Acc. ⁴ / HSN ⁴ Code, notified by CBEC. HSN is mandatory, in case of sales of Goods
14,15	Quantity and Unit to be written	16	Whether 'Inter' or 'intra' state transaction
17.1-17.8	Tax Details - As per applicable GST rates. IGST applicable in inter-state transactions. CGST & SGST/ UGST in case of intra-state transactions. For 'Regular' invoices, taxable value and tax amount cannot be zero.		

Department / Production Units Codes:

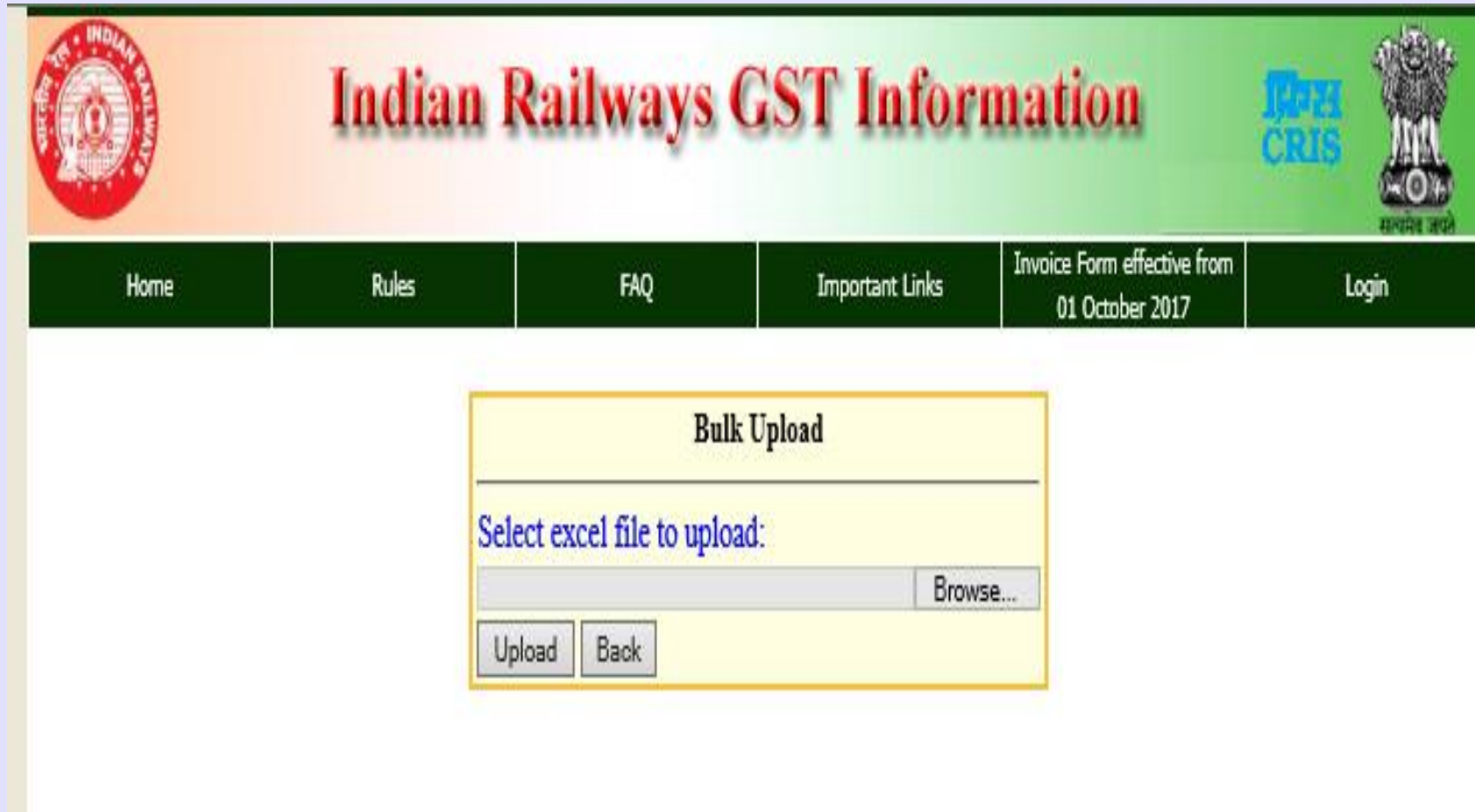
Department	Code	Department	Code	Production Units	Code
Accounts	01	Operating	09	CLW Chitranjan	16
Audit	02	Personnel	10	DLW Varanasi	17
Administration (vig etc)	03	Signal and Telecom	11	DMW Patiala	18
Commercial	04	Stores	12	ICF Chennai	19
Civil Engineering	05	Security (RPF)	13	RCF Kapurthala	20
Electrical	06	Safety	14	RWF Bangalore	21
Mechanical	07	Parcel	15	RCF Raebareilly	22
Medical	08	RDSO	24	RWP Bela	23

Railways Zone Codes:

Zone	Code	Zone	Code
Konkon Railway	KR	South Central	SC
Central Railway	CR	East Central	EC
Eastern Railway	ER	North Western	NW
Northern Railway	NR	East Coast	EO
North Eastern	NE	North Central	NC
North East Frontier	NF	South East Central	SE
Southern Railway	SR	South Western	SW
South Eastern	SE	West Central	WC
Western Railway	WR	Metro Rail	MT

- <http://www.indianrailways.gov.in/railwayboard/uploads/codesmanual/FINANCECODE/appn-3.htm>
- <http://www.cbec.gov.in/htdocs-cbec/gst/Classification%20Scheme%20for%20Services%20under%20GST.xlsx>
- <http://www.cbec.gov.in/htdocs-cbec/hsn-2017-trade>

Key Functionalities PU bulk upload



The screenshot shows the 'Indian Railways GST Information' portal. At the top, there is a header with the Indian Railways logo on the left, the title 'Indian Railways GST Information' in the center, and the CRIS logo and the Ashoka Lion Capital on the right. Below the header is a navigation bar with links: Home, Rules, FAQ, Important Links, Invoice Form effective from 01 October 2017, and Login. The main content area features a 'Bulk Upload' section with a yellow background. It contains the text 'Select excel file to upload:', a file selection input field with a 'Browse...' button, and two buttons at the bottom: 'Upload' and 'Back'.

Indian Railways GST Information					
Home	Rules	FAQ	Important Links	Invoice Form effective from 01 October 2017	Login

Bulk Upload

Select excel file to upload:

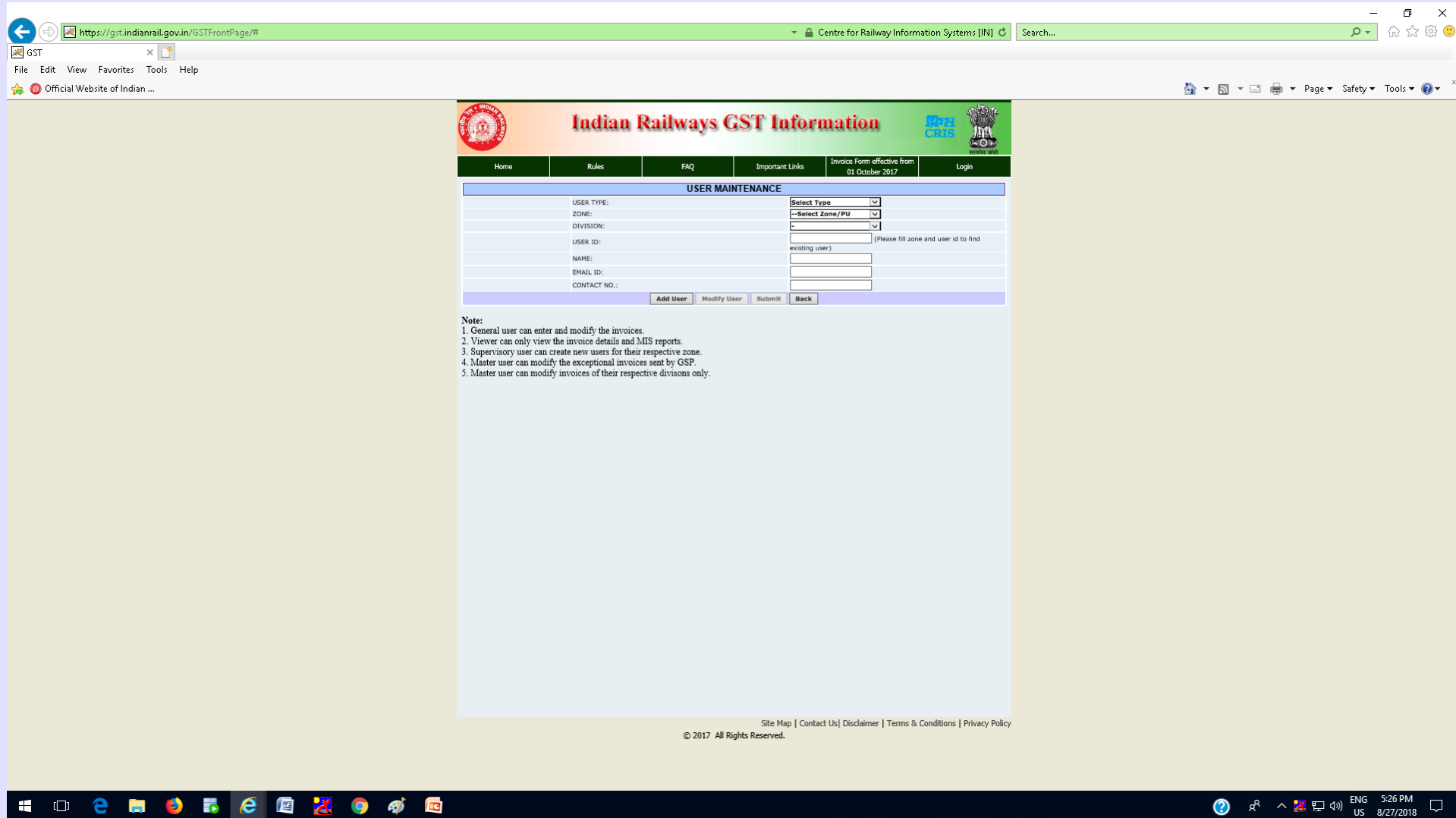
Key Functionalities

PU - Bulk Upload for Input Tax Credit (IPAS)

UPLOAD THE FILE	
The date in the uploaded file should be in 'DD/MM/YYYY' format	
Acc Year Month(YYYYMM)	<input type="text" value="201807"/>
Choose the file To Upload:	<input type="text"/> <input type="button" value="Browse..."/>
<input type="button" value="Upload File"/>	
Click here to download format of file	

* Note :- For PU Units which are not in IPAS System

User Management User IDs Creation, modification



The screenshot displays a web browser window with the URL <https://gst.indianrail.gov.in/GSTFrontPage/#>. The page title is "Indian Railways GST Information". The browser's address bar shows "Centre for Railway Information Systems [IN]" and a search bar. The website's header includes a navigation menu with links: Home, Rules, FAQ, Important Links, Invoice Form effective from 01 October 2017, and Login. The main content area is titled "USER MAINTENANCE" and contains a form for user management. The form fields are: USER TYPE (dropdown), ZONE (dropdown), DIVISION (dropdown), USER ID (text input), NAME (text input), EMAIL ID (text input), and CONTACT NO. (text input). There are also dropdowns for "Select Type" and "Select Zone/PU". A note below the form states: "Note: 1. General user can enter and modify the invoices. 2. Viewer can only view the invoice details and MIS reports. 3. Supervisory user can create new users for their respective zone. 4. Master user can modify the exceptional invoices sent by GSP. 5. Master user can modify invoices of their respective divisions only." At the bottom of the form, there are buttons for "Add User", "Modify User", "Submit", and "Back". The footer of the website includes links for Site Map, Contact Us, Disclaimer, Terms & Conditions, and Privacy Policy, along with the copyright notice "© 2017 All Rights Reserved." The browser's taskbar at the bottom shows various application icons and the system clock indicating 5:26 PM on 8/27/2018.

Indian Railways GST Information

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

USER MAINTENANCE

USER TYPE: Select Type

ZONE: --Select Zone/PU

DIVISION:

USER ID: (Please fill zone and user id to find existing user)

NAME:

EMAIL ID:

CONTACT NO.:

Add User Modify User Submit Back

Note:

1. General user can enter and modify the invoices.
2. Viewer can only view the invoice details and MIS reports.
3. Supervisory user can create new users for their respective zone.
4. Master user can modify the exceptional invoices sent by GSP.
5. Master user can modify invoices of their respective divisions only.

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Rejected data by NSDL for view & Download



The screenshot shows a web browser window displaying the 'Indian Railways GST Information' portal. The browser's address bar shows the URL <https://gst.indianrail.gov.in/GSTFrontPage/#>. The portal's header includes the Indian Railways logo, the title 'Indian Railways GST Information', and the CRIS logo. A navigation bar contains links for Home, Rules, FAQ, Important Links, Invoice Form effective from 01 October 2017, and Login. Below this, a secondary menu includes Add Invoice, Bulk Upload, User Maintenance, MIS Reports, Utility Rejected Data, Invoice Modification, and Logout. The 'Utility Rejected Data' menu is expanded, showing a list of months: August 2017, September 2017, October 2017, November 2017, and December 2017. The main content area features a large 'GST' logo and the text 'GOODS AND SERVICES TAX' over a background image of GST invoices. At the bottom of the page, there is a footer with links for Site Map, Contact Us, Disclaimer, Terms & Conditions, and Privacy Policy, along with the copyright notice '© 2017 All Rights Reserved.' The browser's taskbar at the bottom shows various application icons and the system clock indicating 5:44 PM on 8/27/2018.

Invoice Modification

- Current : all fields except tax liability
- Old : specified fields

 **Indian Railways GST Information**  

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

ONLINE MODULE FOR INVOICE MODIFICATION

USER ID: ANKUR (GENERAL USER) **Form for Entry for GST Manual Transactions of Receipt** Back Logout

Part A. To be filled by Representative of Vendor / Contractor(Recipient)

1. Transaction Type:* --Select Transaction 2. Transaction Mode:* --Select Transaction Supplier Name: Ministry of Railway
3. Old Invoice No.:* 4. Transaction Made at:* --Select Transaction
5. Station/Cash Office:* 6. Railway
Invoice Number Invoice Issue Date Zone/Unit --Select Zone/PU
7. Zone:* Search & Edit Back
10. Goods and Service Description:
11.1 Name:
11.2 Registered with:
11.4 Is Tax payable on Basis(Y/N):*
11.6 Registered Address:
11.7 Email Id: 11.8 Phone:
11.9 Address of Place of Supply:
11.10 Address of Place of Delivery:
11.11 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/PW No.:* 4. Station/Cash Office Code:*
5. State Code of The Supplier:* --Select State Code 6. GSTIN(State-Rly):*
7. Accounts Allocation Code: --Select Accounts All 8. Department Code: --Select Department
9. Transaction Category(select applicable):* --Select Transaction Category
10. Railways GSTIN Registered Address:*
11. State of Place of Supply:* --Select State of Supply
12. Code Type:* 13. SAC/HSN Code:*
14. Quantity: 15. Units(UQS): 16. Applicable Taxes:* --Select Applicable Taxes

17. Invoice and Tax Charged Details

17.1 Total Value of Supply: 17.2 Total Taxable Value:
17.3 IGST Rate: 17.4 IGST Amount:
17.5 CGST Rate: 17.6 CGST Amount:

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MIS Reports



Indian Railways GST Information



[Home](#) | [Rules](#) | [FAQ](#) | [Important Links](#) | [New! Invoice Form effective from 01 October 2017](#) | [Login](#)

GST MIS REPORT

User ID:	<input checked="" type="radio"/> ANKUR <input type="radio"/> All Users	Zone/PU:	<input type="text" value="ALL"/>	Division:	<input type="text" value="-"/>
Department:	<input type="text" value="ALL"/>	Date From:	<input type="text"/>	Date To:	<input type="text"/>
<input type="button" value="Submit"/> <input type="button" value="Back"/>					

MIS Reports

Utility MIS

GST Distribution Zone-wise

GST Earning Summary Reports »

GST IPAS Summary Reports »

Utility Rejected Data

Invoice Modification

July 2018

June 2018

May 2018

April 2018

March 2018

February 2018

January 2018

December 2017

November 2017

October 2017

September 2017

August 2017

July 2017

Tax liabilities Zone wise Dr/Cr adjustments

Browser: <https://gst.indianrail.gov.in/GSTFrontPage/#> | Centre for Railway Information Systems [IN] | Search...

GST | File | Edit | View | Favorites | Tools | Help | Official Website of Indian ...

Indian Railways GST Information

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

GST DISTRIBUTION ZONE-WISE

Principal Officer: Application: ☐ Application Group
Tax Paid For: Month-Year: ☐ Division
PRINCIPAL OFFICER: NR Tax Paid For: NE-North Eastern Application: ALL Month Year: 07-2018 ☐ State

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

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Windows Taskbar: ENG US 5:36 PM 8/27/2018

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

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
<div>SubmitBack</div>				

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

PrintSave Summary in Excel FormatBack

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

Challenges faced in IT structure

Incorrect practice	Impact on operations	Action taken
Wrong GSTIN of Vendors mentioned in the RR	<ul style="list-style-type: none"> - Rejection by GSTN portal (validation error) - Denial of credit to the recipient - Interest cost on late reporting of details 	<ul style="list-style-type: none"> - RR details with correct invoice were furnished in the subsequent months
Inward supply was wrongly flagged	<ul style="list-style-type: none"> - Lead to excess availment of credit - Short payment of taxes 	<ul style="list-style-type: none"> - Flagging finalised w.r.t. HSN/Description vis-a-vis Accounting unit code - Ineligible portion for July-March month reversed
Exempt supply not exhaustively captured	<ul style="list-style-type: none"> - User did not record exempt supply data - Incorrect determination of ITC reversal ratio 	<ul style="list-style-type: none"> - Instruction to capture exempt supply exhaustively for July- March
Wrong capturing of Description	<ul style="list-style-type: none"> - Wrong ITC flagging - ITC eligibility inaccurately captured - HSN heading used as description is misleading 	<ul style="list-style-type: none"> - Instruction for correct description circulated - Text bar provided in the system software to capture description.

Challenges faced in IT structure

Incorrect practice	Impact on operations	Action taken
Amount of tax not as per the prescribed tax rates	<ul style="list-style-type: none">- Rejection by GSTN portal- Mismatch with the counter party data	<ul style="list-style-type: none">- System updated to check the reasonable accuracy of the tax amount as a product of taxable value and tax rate.
Classification of tax	<ul style="list-style-type: none">- Rejection by GSTN portal- Restriction on availment of credit	<ul style="list-style-type: none">- Determining the nature of transaction based on the place of supply rules embedded in the system

Compliance made easy

1. Legal provisions have been converted into business/functional rules for CRIS System.
2. Endeavour was to ensure 100% compliance through system itself.
 - Necessary fields were added/retained in the system to ensure completeness and reasonable accuracy of the information captured.
 - GSP validation were inserted to minimize the number of transactions in reverse flow data.
 - Field level validation checks were embedded in the system to check validation errors like; capturing incorrect structure of GSTIN.
 - Mapping Account allocation codes with HSN/Tax rates to ensure accurateness of the tax amount to avoid mismatching
 - System automated to determine the correct classification of tax.

Non Compliance Interest/Fees/Penalties

- Important that all the transactions are correctly captured to avoid last moment hustle.
- Non reporting/ Non compliances attracts serious consequences

Late fee

Late fee of up to Rs 100 per day can be levied in case of delay in filing of return

Interest

Up to 24% Interest can be recovered on the short payment of tax

Penalty

Penalty equivalent to the amount of tax short paid can be imposed



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Action Points

1. ITC on invoices/ debit notes pertaining to FY 2017-18 to be availed by 30.09.2018, if missed.
2. Any mismatch of inward supplies with the vendor to be corrected latest by 30.09.2018
3. Any excess/short reversal of credit should be corrected latest by 30.09.2018 to avoid penalties. Interest @ 18% p.a. will be applicable on the differential amount payable by IR.
4. Submission of reconciliation statement along with annual return by 31.12.2018, reconciling the value of supplies declared in the return and details furnished in audited annual financial statement.

Module 4 – Transactional Issues

4.1 - Outward Supplies

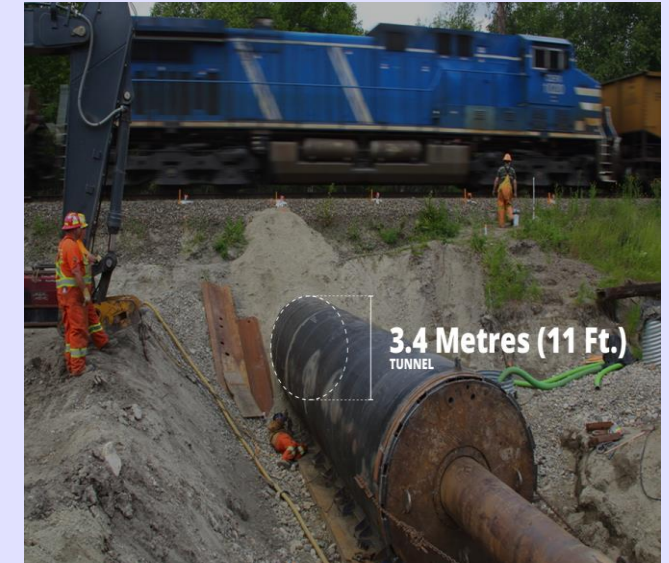
Outward Supply-Way Leave Charges

Grant of Way Leave Facility/ Easement Right on Railway Land.

The Nature of supply of way leave facility: Renting of Immovable Property Service

Renting of Immovable Property Service by Railways

Registered business entities	Reverse charge-payable by Business entities (w.e.f. 25.01.2018 vide Notification No. 3/2018 – Central Tax (Rate))
Unregistered business entities	Forward charge-payable by Railways (Sr. No.5 Notification No. 13/2017-Central Tax (Rate)dated 28.07.2017)
Non business entities	Exempt from levy of GST (Sr. No. 7 Notification No. 12/2017-Central Tax (Rate)dated 28.07.2017)



www.indianrailways.gov.in/railwayboard/uploads/directorate/accounts/downloads/Compendium_2018/RBA_No_6_2018.pdf

Outward Supply-Zero Rated Supply

Zero rated Supply means:

Export of goods/services; or
Supply of goods/services to SEZ Unit/SEZ Developer

Railways making supply to SEZ Unit (Vedanta)=Zero Rated Supply

Endorsement in Invoices issued

ITC for Zero rated supply is available to Railways

Supply to Vedanta (SEZ Unit)=Zero Rated Supply.
Railways can opt for either of:

Pay GST and
claim refund

OR

Execute
LUT/Bond
without payment
of GST

Outward Supply-Haulage Service

Railway provides service of:

- Haulage of the wagons to Container Train Operator (Gateway Rail Freight Limited) &
- Maintenance of the wagons.

Haulage charge constitutes 95% while 5% charges are reckoned towards maintenance.



Haulage service



Haulage Charge +
Maintenance Charge

GatewayRail

Haulage + maintenance= Single supply or multiple supplies (composite supply)?

Sale of Goods

Sale of Scrap amounts to supply of goods

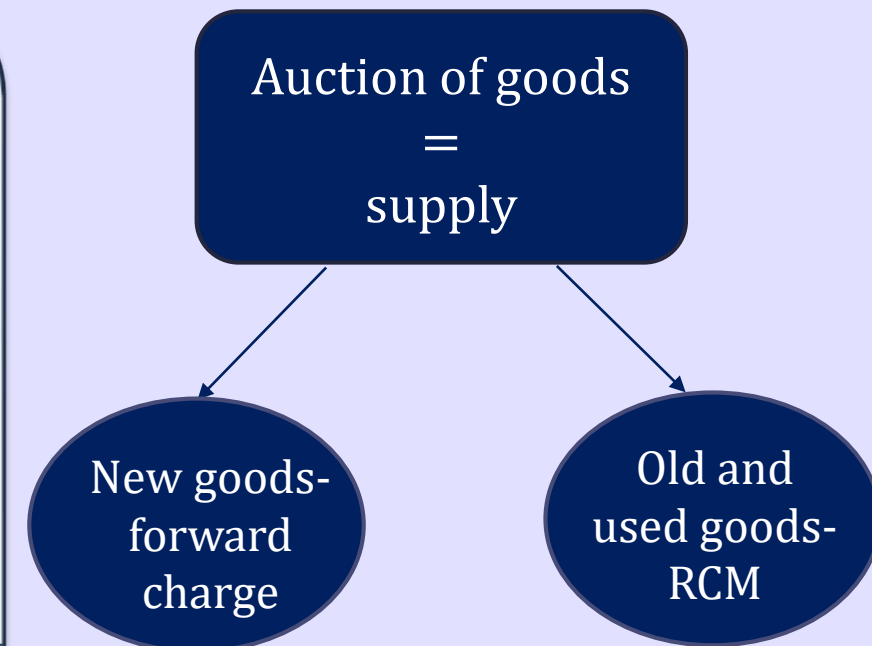
Place of supply for sale of scrap to a registered person is determined based on the GSTIN of the recipient.

Auction of unclaimed goods

Auction of unclaimed goods amounts to sale of goods by Railways.

Railways to raise an invoice charging GST on goods (rate and HSN depending on nature of goods) and discharge GST liability on forward charge basis.

In case old and used goods are auctioned by Railways, the registered recipient will be liable to discharge GST under reverse charge.



Wharfage and Demurrage charges

Demurrage:

charge for the detention of any rolling stock after the expiry of free time.

Wharfage:

charge on goods for not removing them from the wharf after the expiry of free time.

Demurrage and wharfage charge-

an integral part of supply of transportation service or a separate supply?



Practice of charging GST on first RR by Railways

http://www.indianrailways.gov.in/railwayboard/uploads/directorate/traffic_comm/downloads/compendium_Goods_Traffic/GST_08032018.pdf

Outward Supply-Catering Service

Catering service in trains

Transportation in Rajdhani + food & beverage (IRCTC as licensee)

Vs.

Transportation in other trains + food and beverage (other licensee)

Whether a Composite supply/Mixed supply?

Rate of Tax?

Supply of food and beverages on platform

Supply
of food
in train



Supply of
food on
platform



Before 26.07.2018

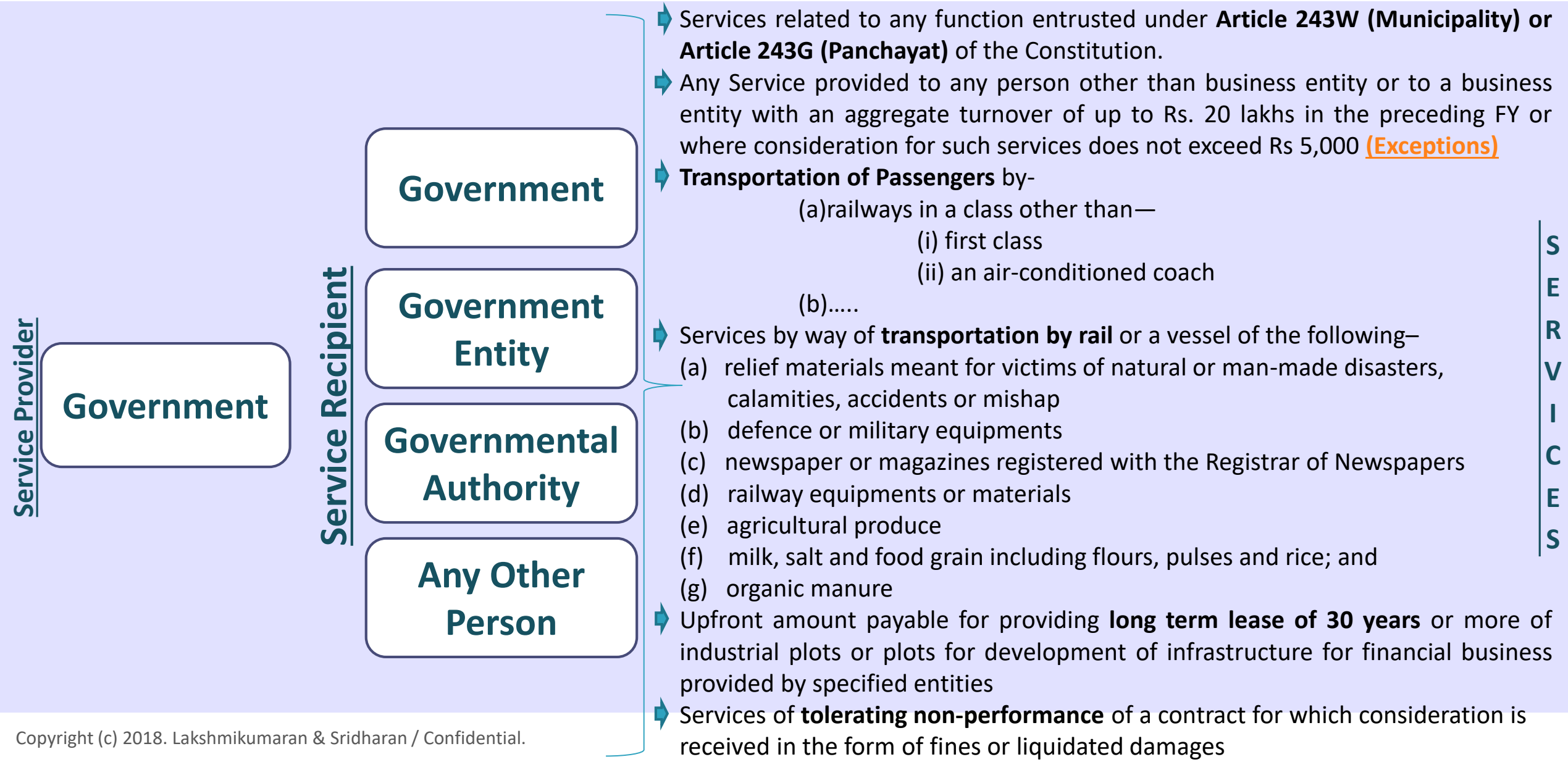
[clarificatory order-31.03.2018]



After 26.07.2018

5% Rate
No ITC

GST Exemptions pertaining to specific supplies made by Government



4.2 Inward Supplies

Inward Supply- Purchase of Rails

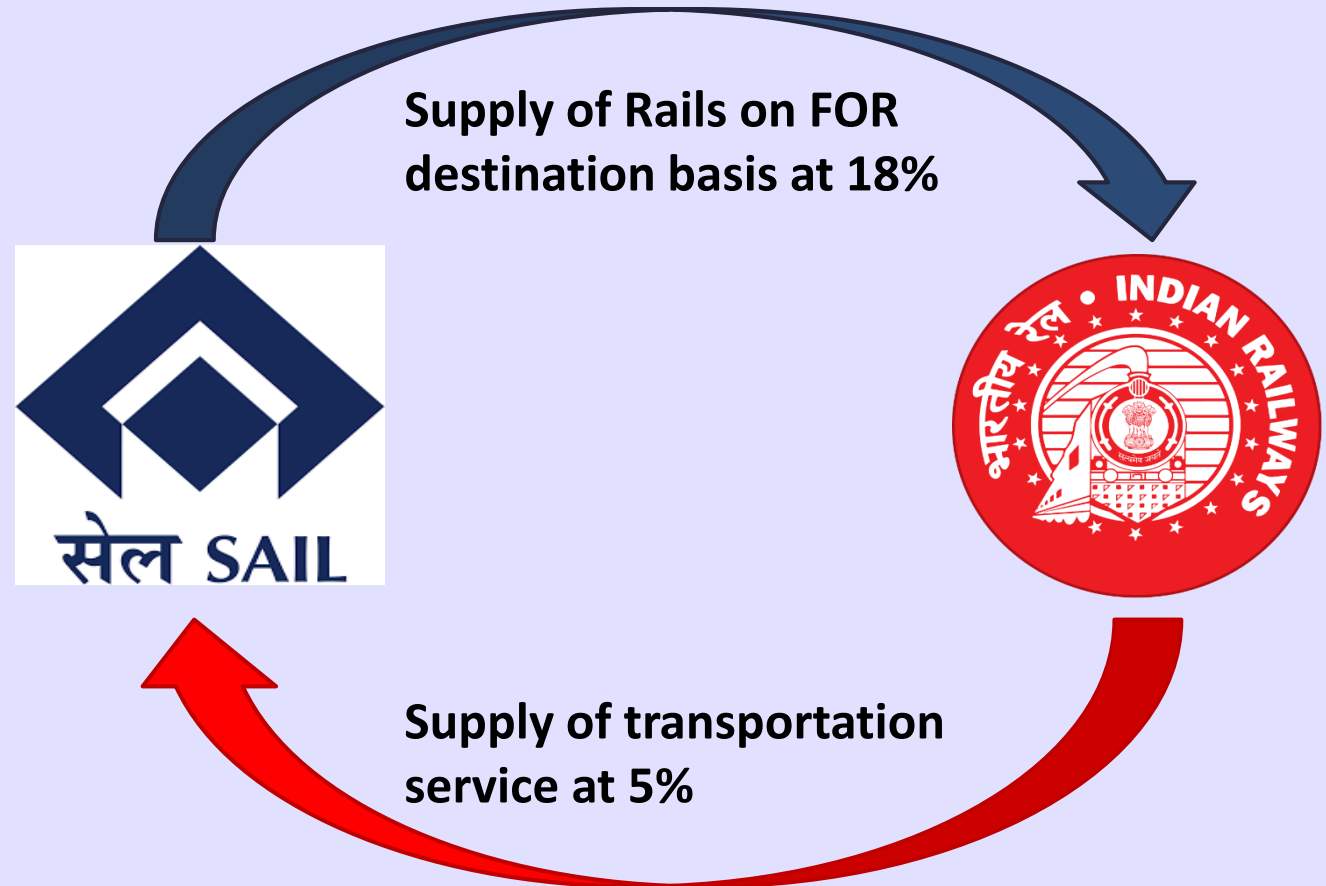
Railway procures Rails from SAIL on FOR destination basis

Railway supplies transportation service to SAIL

Supply from SAIL to Railways:
Rails (goods) + transportation (service) =
composite supply

ITC utilization- blocked for Railways

Need for an alternative arrangement



Purchase of Rails-proposed position

It is proposed that Railways shall procure rails from SAIL on Ex-factory basis

Rails shall be inspected and loaded on rakes and shall be the property of Indian Railways.

SAIL to issue invoice for cost of rails only (and not for transportation service)



Supply of Rails

Ex-Works



Services by way of transportation of railway equipment or materials (Rails in the instant case) by rail from one place in India to another is exempt from levy of GST vide sl.no.20 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017, as amended.

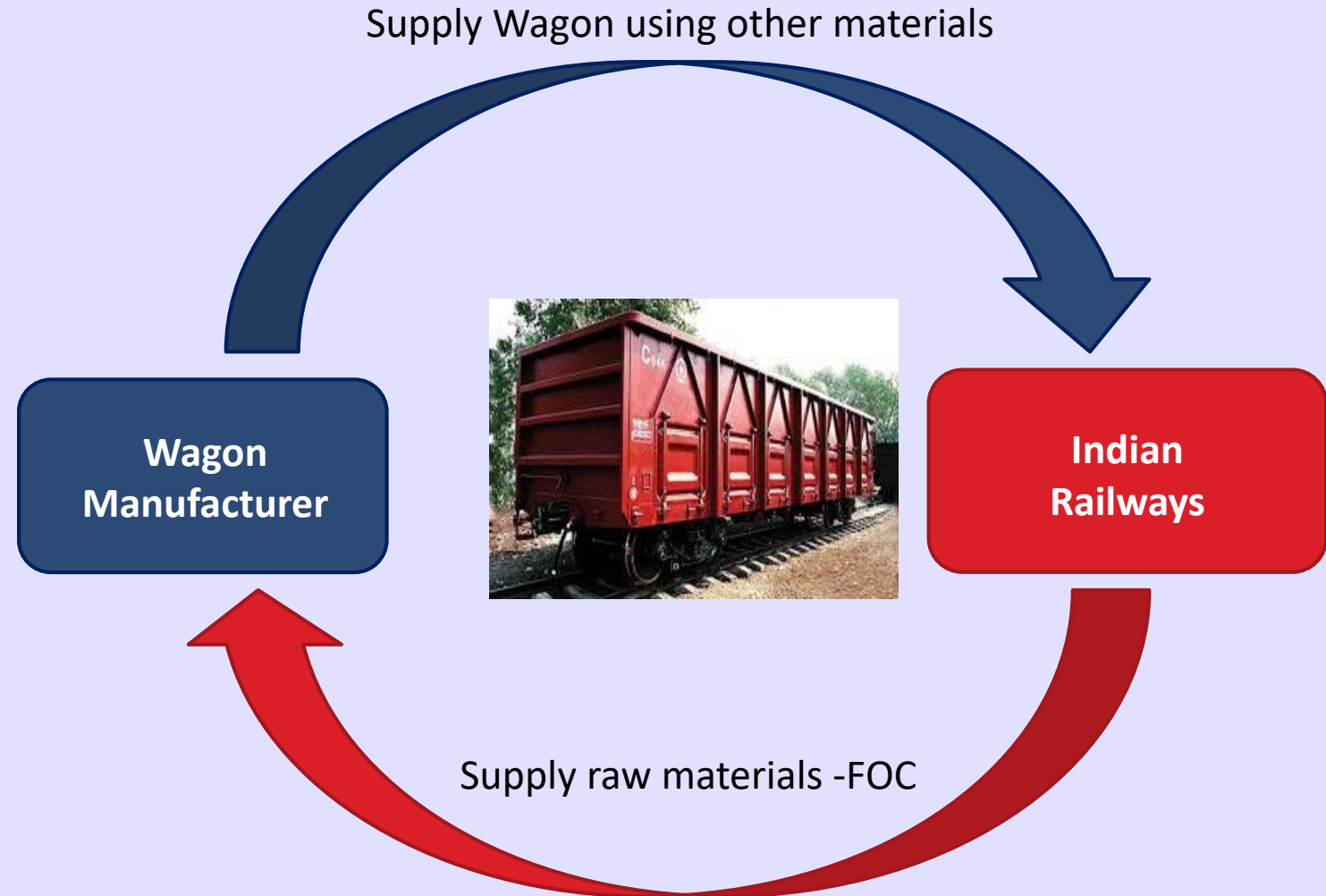
Inward Supply- Procurement of wagons

Railways supplies raw materials such as steel, CTRBS and Wheelsets to manufacturer on FOC basis

Manufacturer manufactures wagon using other materials like couplers, draft gears, bogies etc. procured by them.

Supplies received from wagon manufacturer –

Goods (wagons) or job work services?



Inward Supply- Yatri Ticket Suvidha Kendra(YTSK)



Issue Invoice for service of facilitating passengers in booking tickets
[@ 75% service charge]



Service Charge shared between IR and YTSK in 25:75 i.e. YTSK issues invoice on IR for its share (75%) in service charge along with GST at the rate of 18%.

FOC-ticket rolls and access to the PRS and UTS

Passengers may book ticket through YTSK counter

RR	
Ticket Fare	XX
+	
Service charge	XX

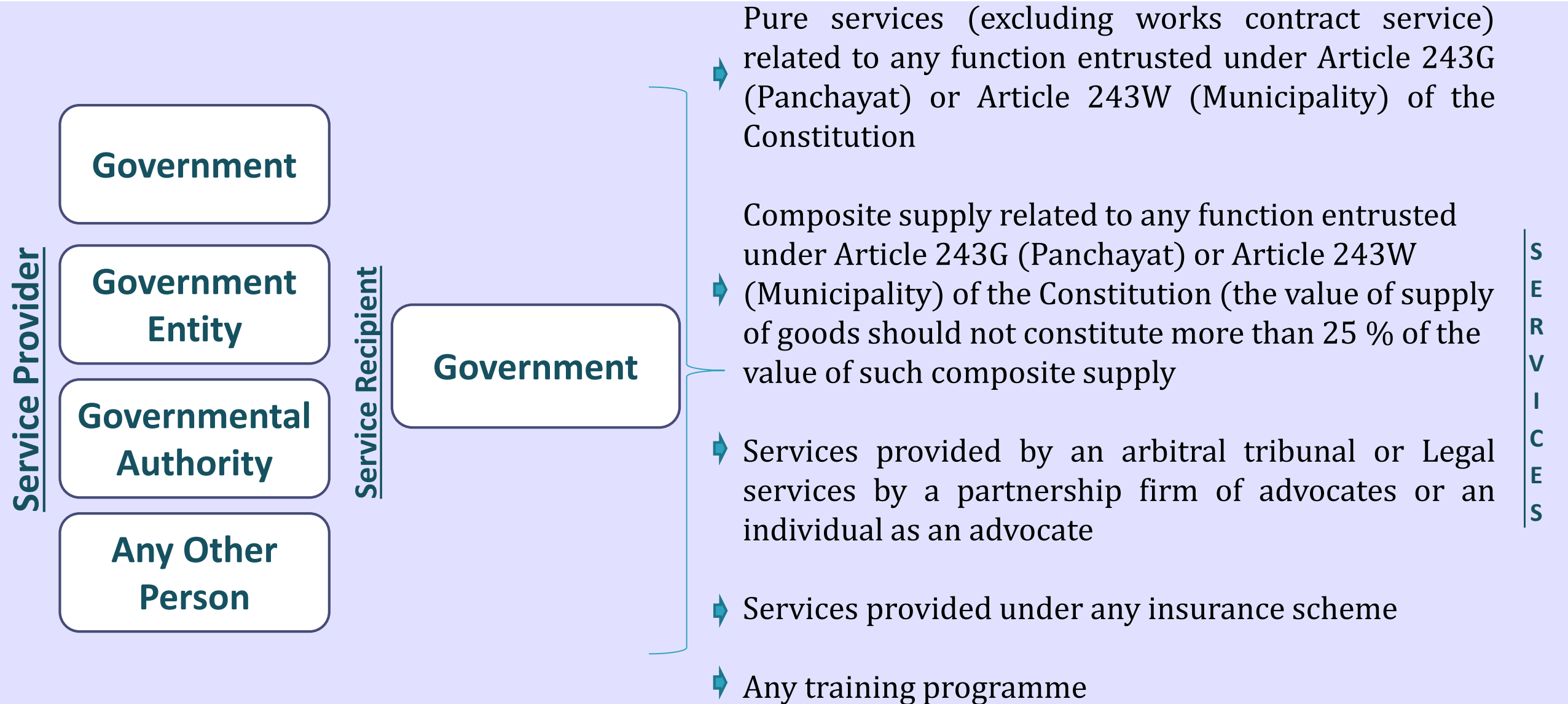
Total	XXX
+ GST @ 5%	X



GST leviable on fare + service charge collected from passenger @ 5%

www.indianrailways.gov.in/railwayboard/uploads/directorate/traffic_comm/Comm_Cir_2018/CC_05_2018_R.pdf

GST Exemptions pertaining to specific supplies made to Government



4.3 Miscellaneous Issues



Liquidated Damages

Liquidated Damages - Damages on breach of contract that are pre-estimated.

- **Exemption vide SNo. 62 of Notification No. 12/2017-Central Tax (Rate) dt. 28.06.2017**
- **CBEC FAQ**

Liquidated damages received by Railways from customers exempted from GST.

E-way Bill (EWB)

What is e-way bill?

An electronic way bill (E-way Bill/EWB) to be generated for transportation of goods of consignment value exceeding fifty thousand rupees*

EWB briefly contains details of supplier, recipient , transporter.

EWB is to be generated for intra-state as well as inter-state movement of goods

- in relation to supply; or
- for reasons other than supply; or
- due to inward supply from an unregistered person.

EWB not required to be generated in case of:

For transportation of goods specified in Rule 138(14) of CGST Rules and in Annexure thereto

Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail



E-way Bill (EWB)

Who is required to generate e-way bill?

Goods of value more than 50,000:

- Registered person causing movement of goods- (Consignor) or
- Recipient of Supply (Consignee) of goods
- Transporter in case of goods handed over for transportation by road

Goods irrespective of value:

- Job work- by principle or job worker when good are send from one State/UT to another.
- Handicraft goods- transported from one State/UT to another (by person exempt from registration under section 24 of CGST Act).

Validity of e-way bill

Distance	Validity period
Upto 100 km	One day in cases other than Over Dimensional Cargo
For every 100 km. or part thereof thereafter	One additional day in cases other than Over Dimensional Cargo
Upto 20 km	One day in case of Over Dimensional Cargo
For every 20 km. or part thereof thereafter	One additional day in case of Over Dimensional Cargo

E-way Bill (EWB)

Details to be disclosed in E-way bill

Part A	Part B
GSTIN of Supplier	Vehicle number for Road
Place of Dispatch	Transport Document Number/Defence Vehicle No./ Temporary Vehicle Registration No./Nepal or Bhutan Vehicle Registration No.
GSTIN of Recipient	
Place of Delivery	
Document Number	
Document Date	
Value of Goods	
HSN Code	
Reason for transportation	

E-way bill requirement in case of Railways:

1. Railways as consignor of goods- exempt from filing E-Way Bill
2. **Railway as consignee of goods (and the consignor is not registered)- need to generate EWB? Rule 138(3) second proviso**
3. Railways as transporter-exempt from filing EWB in most cases*

http://www.indianrailways.gov.in/railwayboard/uploads/directorate/traffic_cmm/Rates-Letters/2018/E_wayBill_23032018.pdf

Contract Clauses to be re-visited

- Contracts entered in pre-GST regime – Terms and clauses to be revisited and modified to address GST implications
- Clauses related to breaches, damages, penalties to be reviewed for possible GST implication
- Pricing clause should be exclusive of taxes
- Person liable to pay tax, RCM or forward charge, place of supply, type of tax (CGST / IGST) should be clearly defined
- Liability as to expenses on freight, insurance, etc., to be reviewed
- Composite contracts – Decision to be taken from tendering stage
- SPV/JV/PSUs- contract clauses need to be re-visited

Module 5 - GST Audit

Legal Provisions & requirement:

- Section 2(13) of CGST Act states that “audit” means the **examination of records, returns and other documents** maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force **to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions** of this Act or the rules made thereunder.
- **Section 35(5) of CGST Act** states that every registered person whose turnover during a financial year exceeds the prescribed limit **shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.**

GST Audit – Audit by CA/CMA

- Further, Rule 80 of CGST Rules inter-alia states that every registered person whose aggregate turnover during a financial year exceeds two crore rupees is required to get his accounts audited as specified under section 35(5) and furnish a copy of audited annual accounts and a reconciliation statement.
- **As per the Act, the limit of Rs 2 crore is registration wise whereas as per the Rules the same is entity wise.**

Types of Audit

Section
35

- **Audit by CA/CMA for registered persons having turnover more than Rs. 2 Crores***

Section
66

- **Special Audit**

Section
65

- **Departmental Audit/Audit by tax authorities**

*As per The Central Goods and Services Tax (Amendment) Bill, 2018, as passed by Lok Sabha, it is proposed to provide that any Department of the Central or State Government / Local Authority which is subject to audit by CAG of India need not get their books of account audited by any Chartered Accountant or Cost Accountant.

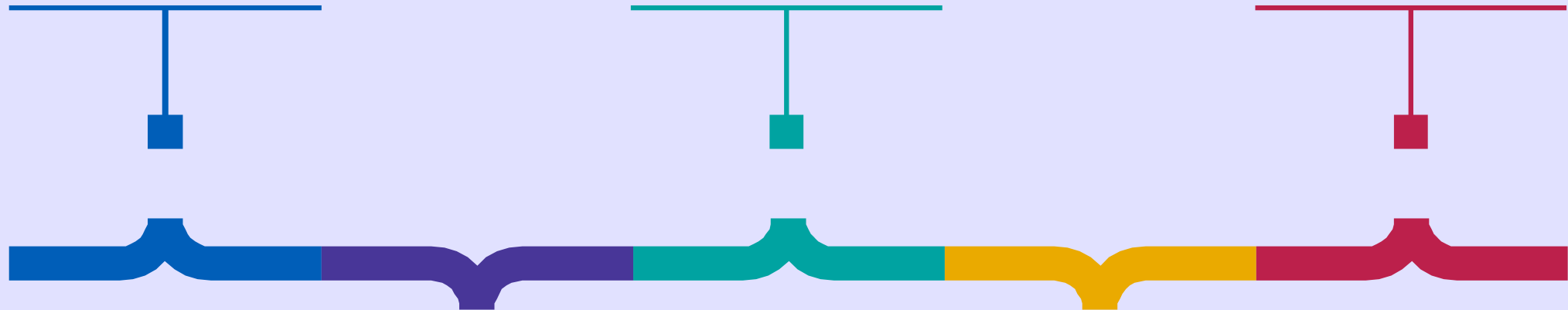
Since, account of IR, a Department of Central Government, is subject to audit by CAG, audit stipulated under Section 35 may not be applicable to IR.

Importance of GST Audit

Identification of Discrepancy
and Risk and taking corrective
measures in timely manner

Identification of
Business
Opportunities, if
missed out!

Rectification of all mistakes
committed in GST returns by 30th
September



Department Audit & litigation to
play major role based on this GST
audit report

First GST Audit report to be blue-print
for future

Role of Auditor

Verify and comment on compliance of provisions of entire GST law at business transaction level

- Taxability of Business Transaction
- Classification / Exemptions / abatements
- Reversal of input tax credit
- Compliance with Anti-profiteering
- Transitional credit
- Impact of Advance Rulings / ongoing litigations
- Valuation / Discounts
- Supplies without consideration/Related Party Transaction
- Documentation/Returns/Waybill
- Determination of Place of supply and Time of Supply
- Reverse Charge Applicability
- Mechanism of availing, reporting and utilising input tax credit in books & GST returns

Scope of GST Audit

Part A

- Financial reconciliation/ certification

Part B

- Legal Audit

Two types of reports/certification under GST Audit report

Part A – Financial reconciliation/certification

Step 1:

- Preparation of State wise Balance Sheet and Profile and Loss Account

Step 2

- Preparation of GST Annual Return

Step 3

- Preparation of Outward Reconciliation Statement

Step 4

- Preparation of Inward Reconciliation Statement

Part B – Legal Audit Involves

- Audit of tax implications on all business transactions and processes.
- Verification of existing Classification for each and every transaction
 - Correctness of rate of tax
 - Availability of exemption Notification
 - Whether transaction is single supply / composite supply / mixed supply
- Verification of Nature of Supply of every business transaction
 - IGST vs CGST/SGST
 - Correctness of Place of Supply
 - B2B to B2C and vice versa
- To identify the documentation requirements for GST raising of tax invoice, bill of supply, debit note / credit note, payment voucher, advance voucher, self-invoice etc.
- To verify whether all the substantive and procedural requirements of GST Laws are being complied with or not.
- To scrutinise GST returns (GSTR-1 & GSTR 3B) and refund applications submitted/filed by respective plants.
- Verification of entire Input Tax Credit mechanism
 - Eligible vs Non Eligible Credit
 - Conditions of Credit
 - Reversal of Credit etc

Grievance Redressal & Dispute Resolution Mechanism under GST

- GST Council- A Constitutional body chaired by Union FM, with State FMs – Representations by industry considered by GSTC.
- GST Implementation Committee: Central and State level GST Commissioners
- Advance Ruling & Appellate Authority (AAR) for providing clarity in 90 days

(a) Limited to:

- Classification
- Liability to pay tax
- Applicability of notification
- Admissibility of credit

(b) State-level authorities: State-wise application to be filed. Not optimally useful.

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