

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

No.TCR/1078/GST/2020/15/3325222

New Delhi, dated 15.12.2020

Managing Director, CRIS, Chanakyapuri, Delhi.
Chief Administrative Officer, FOIS, Chanakyapuri, Delhi.

Sub.: Rejection of SEZ invoices of FOIS by GSP/GSTN.

Ref.: Trailing mails

To: Ankur Rastogi From: Prakash Varadarajan Date: 10/06/2020 04:30PM;
From: ankurRastogi : Tuesday, October 6, 2020 6:49 PM To: Prakash Varadarajan;
From: Chugh, Shivam Sent: Monday, October 12, 2020 11:46 AM To Ankur Rastogi;
From: Ankur Rastogi To: satyapanigrahi Date: 13-10-2020 14:25;
To: Ankur Rastogi From: satyapanigrahi Date: 10/23/2020 01:49PM;
From: ankur Rastogi To: V Prakash Monday, October 26, 2020 5:10:46 PM
V Prakash Tue, Oct 27, 2020 at 11:07 AM To: Traffic Rates Cc: Ankur Rastogi.

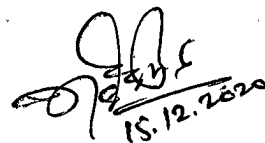
Refer above mails amongst JD/Accounts/Railway Board, Tax Consultant Railway Board and CRIS/FOIS officials on the above subject.

It is advised that as per clarification furnished by Railway Board consultants, FOIS please treat SEZ invoices as Inter-State supplies, as per the logic provided in the trailing mails referred above.

As per the views of the Tax Consultant -

(1) GSP is rejecting all Intra-State supplies made by FOIS to SEZ units, saying all SEZ supplies should be inter-state

- Pursuant to section 7(5) of IGST Act, 2017, supply of goods or services or both to or by a Special Economic Zone developer or Special Economic Zone unit shall be treated as supply in the course of inter-state trade or commerce.
- Thus, irrespective whether SEZ unit or developer is located in the same State from which supply is being provided, such supply shall be treated as Inter-State supply and therefore, IGST needs to be levied. Basis this, the rejection by GSP stands correct.



15.12.2020

Necessary modifications need to be carried out in FOIS which are as follows:

Field Required	User Interface	Selection Options / Inputs	Additional User Interface	Remarks
Category of Recipient	Drop Down shall be provided to user	1. SEZ Unit/ Developer 2. Others	Pop-up window*	<p>If input is:-</p> <p>1: the existing field of capturing CGST rate and SGST rate along with CGST & SGST amount shall be blocked and entering of GST rate and amount under IGST only shall be allowed. Rest mechanism of raising invoice currently shall continue.</p> <p>2: Current mechanism/system of raising invoices by FOIS shall continue</p> <p>*Pop-up window shall display the below text when user selects 1 i.e. SEZ Unit/Developer in drop down: "For supply to SEZ, IGST is applicable. So, capturing of GST amount under CGST & SGST is blocked"</p>

(2) In case of transportation of goods meant for export, but to Indian parties with valid GSTIN -

- With respect to supply of goods transportation service wherein goods are meant for exports, Indian Railways are effectuating supplies within the taxable territory and the supplies are being made to registered person. Hence, by virtue of section 12 of IGST Act 2017, place of supply in such case shall be location of registered person i.e. recipient.
- Thus, type of supply (i.e. inter/intra) to be determined considering GSTIN of registered person.
- In this respect, no extra field need to be added in current system of invoice generation in FOIS however, instructions shall be given in this respect to concerned persons at FOIS.
- Supply of services associated with transit cargo to Nepal and Bhutan (landlocked countries) have been exempted vide Notification No. 12/2017-Central Tax (Rate) dated 28th June 2017, as amended. In this respect, necessary modifications to be undertaken in FOIS were communicated earlier.


15.12.2020

(3) SAC and respective details pertaining to outward supplies provided by Indian Railways under Forward Charge Mechanism, supplies concerning manual utility:


A. Outward supplies under Forward Charge Mechanism

S.No.	Description of goods/services	Recipient of supply	HSN/SAC	Total GST Rate	Action points
1.	Passenger Transportation services	Registered person*	9964	5%	Alongside mentioned SAC be flagged/marked under forward charge under manual utility in such a way that as soon such SAC is entered by user/officer, fields capturing GST levy i.e. GST rate and amount be mandatorily enabled.
2.	Goods transportation services	Registered person*	9965	5%	Alongside mentioned SAC be flagged/marked under forward charge under manual utility in such a way that as soon such SAC is entered by user/officer, fields capturing GST levy i.e. rate and amount be mandatorily enabled.
3.	Sale of scrap	Unregistered person	(depending upon scrap being sold)	(depending upon scrap being sold)	When category of recipient is selected/ marked as unregistered, then fields capturing GST levy i.e. GST rate and amount be mandatorily enabled. Since there are many HSNs for such sale of scrap (depending upon scrap being sold), so a pop-up window be displayed at time of sale of goods mentioning to user that: <ul style="list-style-type: none"> - in case of supply of scrap to unregistered person, FCM is applicable - in case of supply of scrap to registered person, RCM (reverse charge) is applicable - in case of supply of other goods, FCM is applicable

o *Please note that supply of passenger transportation services and goods transportation services are booked through PRS and FOIS respectively. As only supplies to registered persons are booked through manual utility and therefore, only such supplies to Registered Persons are covered above.

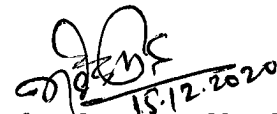
B. Exemptions are also available with respect to certain supplies provided by Indian Railways while other services (including advertisement services) provided to registered persons (i.e. B2B supplies) not stated above shall fall under reverse charge.

C. Further renting of immovable property and retiring rooms are not covered above as :


15.12.2020

- such supplies are provided only to registered persons (which falls under reverse charge)
- supplies of renting of retiring rooms are booked through WARR and not manual utility.

This issues in consultation with Passenger Marketing, Stores and with the approval of Accounts Directorates of Ministry of Railways.



(Mahender Singh)

Deputy Director, Traffic Commercial (Rates)
Railway Board.

Copy to:

**PRINCIPAL CHIEF COMMERCIAL MANAGER,
All Zonal Railways.**

**PRINCIPAL CHIEF MATERIALS MANAGER,
All Zonal Railways.**

AM/RS; PED/Accounts; EDPM; Railway Board.