

**RBA NO: 31 /2023**  
**GST Circular No. 11/2023**

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

New Delhi, Dated:19.10.2023

Pr. Financial Advisor  
All Zonal Railways/PUs

**Sub: Tracking GST Proceedings received at Zonal Railways/Production Units.**

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It has come to the notice of Board that several proceedings are being received from Central/State GST authorities by Zonal Railways/PUs, followed by Show Cause Notices and Demand Orders. In order to keep track of the stage at which a given proceeding may result in payments to CGST/SGST authorities. a flowchart indicating the stages of Proceedings(Annexure A) and General Instructions for handling these Proceedings (Annexure B) are being shared.

All the notices/proceedings on hand shall be dealt with due diligence, keeping view the Ministry of Railway (MoR) interest. Outcome of the proceedings are potential contingent liabilities of MoR, since payments may have to be made on receipt of Demand orders. Therefore, necessary projections may be made in the budget for this purpose at the appropriate stage.

Zonal Railways are requested to have a system in place to monitor the GST enquiries and its finalization in a time-bound manner, besides making budgetary projections concurrently.

DA:As above

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Director/Accounts

Railway Board

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आरबीए सं.: 31/2023

जीएसटी परिपत्र सं. 11/2023

सं. 2017/एसी-11/1/6/जीएसटी मेन/वॉल. IV

नई दिल्ली, दिनांक 19.10.2023

प्रधान वित्त सलाहकार,

सभी क्षेत्रीय रेलों/उत्पादन इकाइयां

विषय: क्षेत्रीय रेलों/उत्पादन इकाइयों पर प्राप्त जीएसटी कार्यवाहियों की ट्रेकिंग।

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बोर्ड के संज्ञान में आया है कि क्षेत्रीय रेलों/उत्पादन इकाइयों द्वारा केन्द्रीय/राज्य जीएसटी प्राधिकरणों से कई कार्यवाहियां और बाद में कारण बताओ नोटिस और मांग आदेश प्राप्त हो रहे हैं। उस चरण का पता लगाने के उद्देश्य से जिस पर प्राप्त हुई कार्यवाही का सीजीएसटी/एसजीएसटी प्राधिकरणों को भुगतान हो सके, कार्यवाहियों के चरणों (अनुलग्नक-क) और इन कार्यवाहियों पर कार्रवाई करने के सामान्य अनुदेशों (अनुलग्नक-ख) को दर्शाने वाला एक प्रवाह-चार्ट (फ्लोचार्ट) साझा किया जा रहा है।

रेल मंत्रालय के हित को ध्यान में रखते हुए प्राप्त हुए सभी नोटिसों/कार्यवाहियों का निपटान सावधानीपूर्वक किया जाए। इन कार्यवाहियों से प्राप्त परिणाम रेल मंत्रालय की संभावित आकस्मिक देयताएं हैं, चूंकि मांग आदेशों के प्राप्त होने पर भुगतान किया जाना होता है। इसलिए, इस प्रयोजन के लिए बजट में आवश्यक प्रक्षेपण उचित चरण में कर लिए जाएं।

क्षेत्रीय रेलों से अनुरोध है कि वे बजटीय प्रक्षेपणों को एक साथ तैयार करने के अलावा जीएसटी संबंधी पूछताछ और समयबद्ध रीति से इसे अंतिम रूप दिए जाने की निगरानी के लिए एक प्रणाली स्थापित करें।

संलग्नक: यथोक्त

ह.

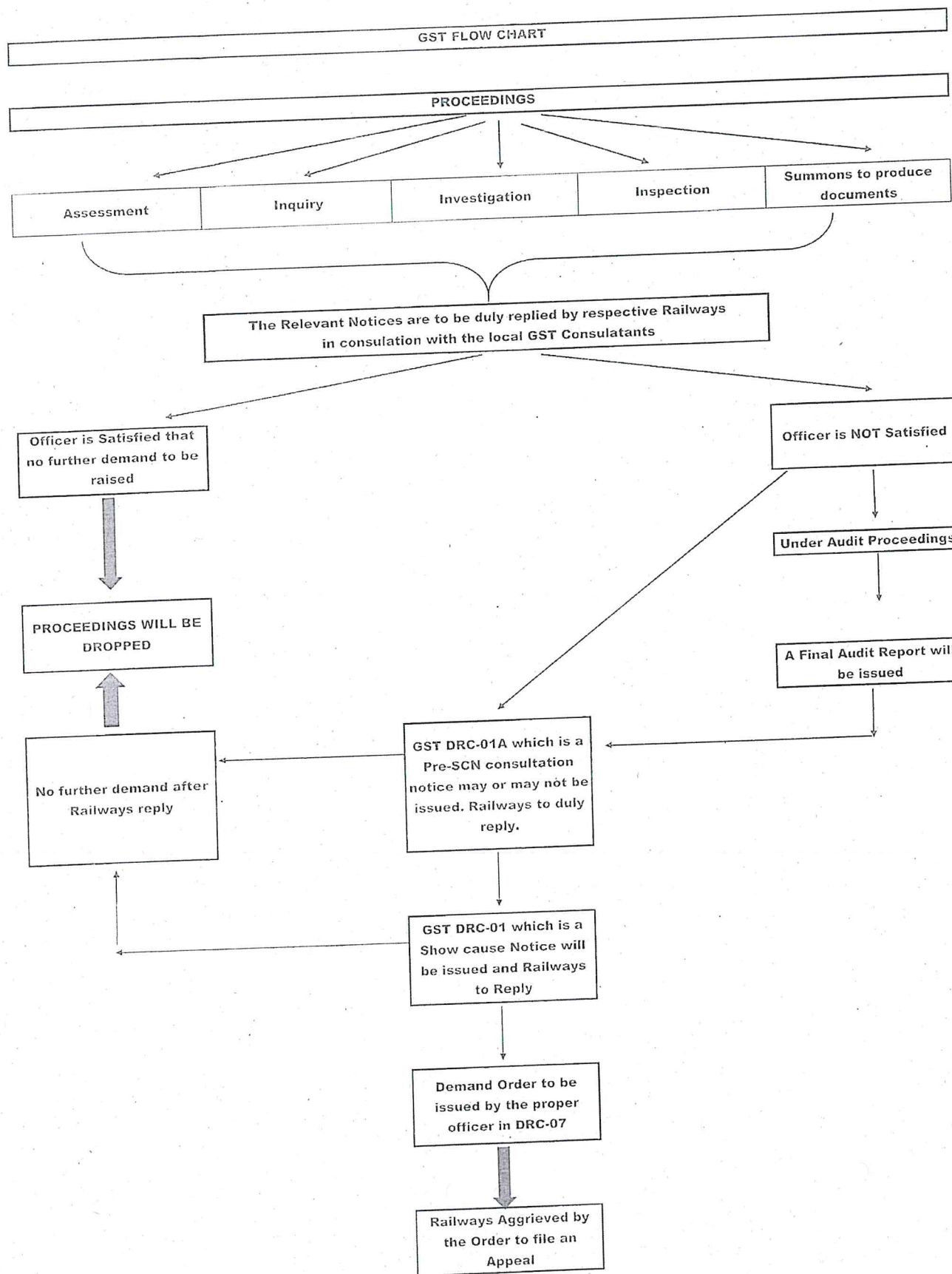
(विपुल त्रिपाठी)

निदेशक/लेखा

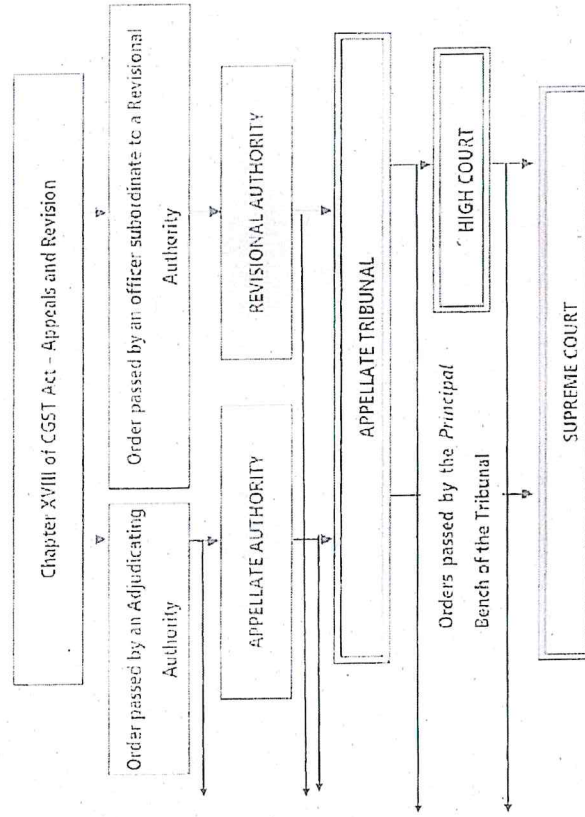
रेलवे बोर्ड

ईमेल आईडी: [vipul.tripathi@gov.in](mailto:vipul.tripathi@gov.in)

दूरभाष नं. 8920027770



## HIERARCHY OF APPEALS AND REVISION



1. Tax to be deposited before filing an appeal before Appellate Authority:

- Admitted tax, interest and penalty (if any) and
- 10 % of Tax (IGST) in dispute (max upto 50 crores)

2. In case of Penalty order u/s 129(3) sum equal to 25% of the penalty shall be deposited.

1. Tax to be deposited before filing an appeal to the Appellate Tribunal:

- Admitted tax, interest and penalty (if any) and
- 20 % of Tax (IGST) in dispute (max upto 100 crores) in addition to the amount deposited during filing appeal before Appellate Authority.

NO DEPOSIT



General Instructions to Railways for handling GST notices

1. On receipt of any GST notice, Railways shall update the "RAILWAY WISE GST PROCEEDINGS" sheet on the Google drive link already shared.
2. Read the notice thoroughly in consultation with local GST consultants and determine whether the allegations/discrepancies in the said notice are correct or not.
3. Railways shall gather all pertinent documents and records that support their response to the notice from their own records or from CRIS. This may include invoices, receipts, purchase register, bank statements, and any other supporting evidence.
4. Railways in consultation with the local GST consultants on receipt of any GST notice/s must identify whether undermentioned characteristics are present in the subject notice:
  - a. non-observation of principles of natural justice
  - b. gross negligence in following due procedures
  - c. misinterpretation of provisions of GST Law
  - d. non-application of mind
  - e. ignoring the established facts on record
  - f. lack of knowledge of the various Judgments
  - g. not backed by any sound reason or logic etc.

If any of the above characteristics are present in the subject notice, then the same shall be taken as argument and should be communicated effectively in their reply to the subject notice. All points must be numbered, and arguments must be in a logical flow.

5. Railways must seek opportunity of being heard in their reply to the notice.
6. Railways should reply to the notices within the time specified in the notice. However, in case any additional time is required, an adjournment/extension letter may be filed, and reasonable time may be sought.
7. Railways to maintain all the data or information submitted by them during the course of any inquiry/investigation/audit/summons/assessment/adjudication proceedings.
8. In lieu of any GST notice if there is any admitted liability the same shall be deposited vide from DRC-03 on the GST portal and shall be duly informed to the proper officer.
9. "Railways may seek waiver of pre-deposit under the umbrella of the Principle of Justice, Equality and Good Conscience, in case where:

- i. Financial hardship can be substantiated by assessee or there are no means to remit such amount with the assessee
- ii. Issue under consideration has already been settled in favour of the assessee by higher courts,
- iii. Matter appealed is on some contentious issues,
- iv. A matter on the same issue is pending before the Supreme Court.”

Note: The decisions of courts covering on the above scenarios will be shared shortly.