

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

TCR/1078/2017/22

New Delhi, Date: 20.09.2017

Chief Commercial Manager,
All Zonal Railways.
Principal Financial Adviser,
All Zonal Railways.

Sub: Clarification regarding applicability of GST on demurrage/ wharfage charge levied against exempted commodities.

Subject clarification sought by Northeast Frontier Railway has been examined in consultation with Accounts Directorate.

Demurrage/Wharfage charges is levied when customer delays in taking possession of goods transported by him. Therefore till the possession of goods is handed over to customer, the entire service rendered by Railways will be treated as a single supply of service and therefore the applicable rate of GST for principal supply of service will be levied on demurrage /wharfage. In other words if no GST is charged on exempted commodity then the associated demurrage /wharfage charges also will not be charged GST.

This shall apply to all commodities 'exempted from levy of GST' as per para 2.0 of Rates Circular No. 19 of 2017.

(This disposes off NFR's letter No. C/CCM/FM/Misc/2016 dated 02.08.2017.)

Shilpi Bishnoi
20.09.17

(Shilpi Bishnoi)
Director, Traffic Commercial (Rates)
Railway Board.