

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

No. TCR/1078/2017/37

New Delhi, dated: 28.03.2018

**General Manager,  
All Indian Railways.**

**Sub: Transportation of commodity by goods train meant for SEZ units Levy of GST.**

**Ref: i. Notification No. 12 of 2017 Central Tax (Rate) dated 28.06.2017.**

**ii. Board's Rates Circular No. 19 of 2017 dated 30.06.2017.**

The matter regarding applicability of GST on goods transportation services supplies to/from SEZ units has been examined and it is clarified that supply of services of transportation of goods by rail to SEZ unit is treatable as zero-rated supply.

As per section 16(1) of IGST Act, treatment as zero-rated supply applies to all goods and services supplied to SEZ units, and therefore, there is no levy of GST on service of transport to SEZ units. That is, GST @ 0% is to be levied at present on freight charges and on demurrage/wharfage in case of supply of service of transport to SEZ unit. It is important that the consignor and its address must be that of SEZ unit.

Railway shall file a Letter of Undertaking (LUT) with the Tax Department and supply services to SEZ units without payment of tax or pay GST and claim refund on the basis of the details furnished by consignor that services supplied were to SEZ units.

SEZ units shall have to apply at PCCM office with a copy of the Letter of Approval (LOA) & other relevant document issued by Development Commissioner of SEZ and a declaration that the SEZ status is current and active. Onus of authenticity of the Letter of Approval (LOA) shall lie with the applicant/SEZ units.

Zonal Railways shall issue procedure order for processing and verification of application, and also for monitoring and renewal of the same, in consultation with their Associate Finance. Verification of SEZ status must be done periodically online. The procedure order must also include the mechanism for renewal/termination of such status in accordance with renewal/termination of SEZ status of the applicant by concerned SEZ authorities.

On approval of the application, Zonal Railway (not below SAG) shall advise CAO/FOIS office, with complete details of name, code, address, GSTIN, list of commodities etc of consignor, for implementation of same in FOIS/TMS. The zero rate of GST for suppliers to SEZ in FOIS/TMS shall continue till the effective date as in LOA/relevant documents as verified periodically.

Zonal Railway must maintain proper records and statements for each application, approval, renewal and termination.

CRIS shall develop the necessary system modifications in FOIS/TMS.

This issues in consultation with Accounts directorate and with the concurrence of Finance Directorate of Ministry of Railways.

*Shilpi Bishnoi*  
28/03/18  
(Shilpi Bishnoi)

Director, Traffic Commercial (Rates)  
Railway Board.

**Copy to:**

1. **CAO/FOIS:** For kind information and necessary action please.
2. **GM/FOIS/CRIS:** for necessary action please.