No: TCR/1078/2017/19
New Delhi, Date: 29.06.2018

Principal Chief Commercial Manager,
All Indian Railways.

Sub: Furnishing of details to identify the traffic for Nepal & Bhutan in FOIS application as being done in SEZ module.

Ref: (i) Board’s letter of even number dated 27.04.2018
(ii) ER letters 149/GST/Vol.II/CRC dated 11.05.2018 and 18.06.2018

Please refer Board’s letter of even number dated 22.06.2018 on the above subject which may please be treated as deleted.

Board vide above referred letter has issued guidelines regarding exemption of levy of GST on the services associated with Transit Cargo to Nepal & Bhutan. It was also stated in the letter that Zonal Railway must identify services associated with Transit Cargo to Nepal & Bhutan.

The endeavour is to enable FOIS/TMS to identify ‘Transit Cargo’ to Nepal and Bhutan and implement GST exemption for such traffic. In this regard, Eastern Railway vide letter referred at (ii) above (copy enclosed) has suggested a mechanism based on custom authorities documents for identification of “Transit Cargo” to Nepal & Bhutan, and to allot a separate code to such traffic which shall enable TMS to implement the GST exemptions.

Zonal Railways are requested to examine Eastern Railway’s proposal and offer their comments and suggestions on the same, duly keeping in view the adequacy and feasibility of checks. Zonal Railway’s may also send their own proposal for consideration of Railway Board.

DA: As above

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

Copy for information to :-

1. CAO/FOIS – for kind information please.
2. GM/FOIS/CRIS – for kind information please.
Eastern Railway

No. 149/GST/Vol.II/CRC

Executive Director (Traffic Commercial)
Railway Board
New Delhi.

Kolkata, dated, 11th May, 2018

Sub: Transportation of commodity by goods train meant for Nepal and Bhutan levy of GST

2) Rly Bd.'s letter no. TCR/1078/2017/19 dated 27th April, 2018

Reference above (1), as per Birgunj Chamber of Commerce & Industries' representation, GST is being charged on freight for the bulk cargo services to Nepal (ICD Birganj & Raxaul), which is not applicable and they also appealed for refund of GST charged on invoices from 29.9.2017.

As per Rly Bd.'s letter reference (2) the above cargo services are exempted from the payment of GST.

Board also advised, "Zonal Rly must identify services associated with transit cargo to Nepal and Bhutan provided by them and take note of the exemption from GST to such services."

Tax consultant’s report on that matter sl. 8: “Eastern railway is not entitled to charge GST on the said service on and from 29.09.2017, if the customer of goods transportation satisfies eastern railway that this supply of services associated with transit cargo to Nepal and Bhutan."

Transit cargo to Nepal, originating and destination terminals:

<table>
<thead>
<tr>
<th>Originating Terminals</th>
<th>Destination Terminals</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;C&quot; Kidderpore Docks</td>
<td>&quot;IDBR&quot; ICD Birgunj</td>
</tr>
<tr>
<td>&quot;CTKR&quot; CONCOR Terminal</td>
<td>&quot;RXL&quot; Raxaul Jn.</td>
</tr>
<tr>
<td>KOPT Coal Dock Road</td>
<td>Under EC Rly</td>
</tr>
<tr>
<td>\underline{Kolkata Port Trust Rly}</td>
<td>BTF-Bhatnaha Under NF Rly</td>
</tr>
</tbody>
</table>

Since last many years there has been no transit traffic for Bhutan.

Currently, GST is being charged in all TMS RR when traffic booked from C, CTKR.

For transit traffic, Customs Transit Declaration is issued duly endorsed by Customs Authorities. Details of importer's agent, consignee and consignor's address, quantity of commodity, route of transit, etc. are mentioned in the Customer's Transit Declaration. A copy of the same is enclosed as ready reference. Normally 1-3 such transit documents are sufficient to cover their load in open or covered wagons.

In case of containers however Customs Transit Declaration is issued separately for each container. Normally outward transit container traffic for Nepal is handled by CONCOR at CTKR.

Proposal:

1. In case of transit cargo booked from Kolkata Port meant for Nepal, Consignor should submit Customs Transit Declaration along with the forwarding note to qualify as transit traffic. The RR number should be manually endorsed in the Customs Transit Declaration as well as forwarding note to link the three.

In Kolkata Port, entire commercial formalities are handled by port officials. Kolkata Port Authorities should strictly follow the procedure and preserve the documents for future reference.

contd...
2. In case of containers number of Customs Transit Declaration will be huge since separate document is issued for each container. Documentation will be voluminous. CONCOR for its internal purpose generates a document wherein details of all the containers loaded in a rake are available. Details furnished in the documents are wagon number, container number, consignor, consignee, and most importantly customer seal number of each container. Copy of sample document enclosed.

Instead of separate customer transit declaration for each container, it is proposed that CONCOR should submit consolidated details including Customs seal number along with forwarding note to qualify as transit traffic. The RR number should be manually endorsed in the forwarding note and the consolidated list of Custom Transit Declaration to link the three.

3. Customers should clearly declare in forwarding note that the **supply of services associated with transit cargo to Nepal or Bhutan.**

   In the present TMS software, commodities exempted from levy of GST are mapped. In order to include transit traffic in the exempted list, necessary changes need to be incorporated in TMS. CRIS may be advised accordingly.

This is as per approval of competent authority.

(S. Biswas)
Chief Commercial Manager/FM

Copy to: 1) FA & CAO (WT) in reference to your letter no.- TA/STC/GST/2017/18, dt-19.04.2018 for information and necessary action.
2) Secretary to GM for kind information.

(S. Biswas)
Chief Commercial Manager/FM
Eastern Railway

No. 149/GST/Vol.II/CRC

Kolkata, dated, 18 Jun, 2018

Dy.CPM/FOIS
CRIS/NDLS
Chanyakyapuri
New Delhi -10021

Sub: Transportation of commodity by goods train meant for Nepal and Bhutan levy of GST

Ref: 1.CRIS letter No CAO/FOIS/TMS/Rates Circular/18 dt 25.05.2018
2) Rly Bd.’s letter no. TCR/1078/2017/19 dated 27th April, 2018

As per Rly Bd.’s letter reference (2) services associated with transit cargo to/from Nepal and Bhutan are exempted from the payment of GST.

Board also advised, “Zonal Rly must identify services associated with transit cargo to/from Nepal and Bhutan provided by them and take note of the exemption from GST to such services.”[Ref-2]

Transit cargo to Nepal, originating and destination terminals in case of Eastern Railway:

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<td></td>
</tr>
</tbody>
</table>

Currently, GST is being charged in all TMS RR when traffic booked from C, CTKR.

** It is to further mention that the above locations are not covered under any SEZ.
And all traffic booked for the above originating and destinations terminals are not transit cargo to Nepal & Bhutan. Some identified traffic are transit cargo to Nepal & Bhutan.

As per Boards advice, Eastern Rly has proposed the identification process of “services associated with transit cargo to/from Nepal and Bhutan” (copy of Eastern Railways letter to Railway Bd attached here with). As per said procedure, Zonal Railway will identify the traffic.

Now reference to (1) it is proposed “Transit Cargo to/from Nepal and Bhutan” may be mapped in TMS and it is may be included in GST exempted list.

In RR Generation screen a rebate code may be provided.

| Transit Cargo to/from Nepal and Bhutan | TCNB |

When Goods Clerk will identify that the traffic is ‘Transit Cargo to/from Nepal and Bhutan’ then during RR generation rebate code ‘TCNB’ may be opted and GST will be exempted accordingly.

In RR, under GST head, remark may be printed ‘GST exempted as Transit Cargo to/from Nepal or Bhutan’.

Necessary action may be taken under consultation of Railway Bd.

(H.Basak)
Dy Chief Commercial Manager/FM
For Principal Chief Commercial Manager

Copy: Director (Traffic Commercial), Railway Board, New Delhi, for information and CRIS may be advised accordingly to update TMS.

25 Jun, 2018

(H.Basak)
Dy Chief Commercial Manager/FM
For Principal Chief Commercial Manager