Sub: Leviability of GST on AC coaches of Military Special train

Ref: (i) Rates Circular No.19 of 2017 dt. 30.06.2017
(ii) Board’s letter of even number dt. 27.11.2017
(iii) Milrail’s letter No.18375/III/ADG Start Mov/Milrail dt. 11.12.2018

Please refer to Milrail’s letter dt. 11.12.2018 under reference (iii) referring to the observations of GST Consultant and Finance Department of ECoR regarding levy of GST on coaching vehicles of Military Special train, as under:

“Services by way of transportation by rail from one place to another of Defence or Military equipments are exempted from GST. However, AC coaches are meant for passenger transport and not for goods. Hence, AC coaches provided to Defence Authority are not exempted from GST and a taxable supply by Railway and subject to GST at applicable rate”.

The matter has been examined. As per Rates Circular No.19 of 2017, ‘Defence or Military Equipments’ are exempted from Goods & Service Tax (GST).

As regards transportation of military personnel through AC coaches provided to Defence Authority, GST is leviable under the classification “Transportation of Passengers by rail”.

This issues in consultation with Accounts Dte. and Finance Dte. of Ministry of Railways.

(Shilpi Bishnoi)
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