



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

GST Matter
GST Circular No. 10
RBA No 59/2017

No. 2017/AC-II/1/6

New Delhi, the 19th May, 2017

General Managers,
All Zonal Railways and Production Units

Sub :- Transitional Guidelines.

Transitional arrangements for availing Input Tax Credit have been laid down under Section 140 of CGST Act, 2017. For availing input tax credit for job work, Section 141 of CGST Act, 2017 may be referred. Action to be taken under Section 140 of CGST Act, 2017 for availing input tax credit is brought out as follows:-

Section 140 (1) A registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, the amount of CENVAT credit carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law in such manner as may be prescribed: Provided that the registered person shall not be allowed to take credit in the following circumstances, namely:— (i) where the said amount of credit is not admissible as input tax credit under this Act; or (ii) where he has not furnished all the returns required under the existing law for the period of six months immediately preceding the appointed date; or (iii) where the said amount of credit relates to goods manufactured and cleared under such exemption notifications as are notified by the Government.

In light of the above, the following action is to be taken by each Zonal Railway/ Production Unit.

A. Credit on Goods/Capital Inventory present in stock and transferred to the electronic credit ledger under GST

Indian Railways can claim CENVAT Credit on goods in stock, capital goods and the input services which they are utilizing for providing taxable and non-taxable output services or sales in the existing indirect tax regime. These goods may be present in factories, station, sheds, etc. Following steps are required to be taken for claiming credit on such goods/services in GST:

- Collect Tax Invoices/Documents for such goods/capital inventory from vendors/dealers/service provider.
- Collect/maintain invoices issued specifically on or after 01.07.2016
- Map the goods/capital assets against taxable and exempt output sale/service respectively
- Segregate invoices for goods used in providing taxable sales/services
- Segregate invoices for goods used in providing exempt sales/services
- Identify Tax Component in all these invoices
- Identify whether such inputs have been received and are physically present as inventory/work-in-progress or in form of finished goods
- Identify whether such capital goods have been received and are physically present as inventory/work-in-progress or in form of finished goods
- For Exempt sales/output services, record seller/supplier details, date of invoice, invoice number, invoice value and tax component in electronic format.
- For Taxable sales/output services, record seller/supplier details, date of invoice, invoice number, invoice value and tax component in electronic format.
- Maintain a record of returns filed for the period from Jan'16 to June'16.
- Post Implementation of GST, IR needs to file a return named GST Tran- 01. This will include the details of CENVAT credit details captured in the electronic records as stated above which has been carried forward as Input Tax Credit in GST.

B. Transfer of unavailed part of Cenvat Credit on Capital Goods to GST

CENVAT Credit on Capital goods is currently availed in 2 parts. 50% of the CENVAT Credit is claimed in the year of purchase and the balance in the succeeding year. Indian Railways may be claiming CENVAT Credit on Capital goods. The balance part of CENVAT Credit which is due to be availed in the succeeding year will be allowed to be availed/carried forward in GST as Input Tax Credit. Following information is required to be noted for carry forward of un-availed portion of CENVAT Credit on Capital Goods.

- This provision would be applicable for Capital goods purchased after 01.04.2016. (i.e. where capital assets have been purchased between 01.04.2016-31.03.2017, CENVAT Credit would have been availed partly in FY 16-17 and balance in 01.04.2017-30.06.2017)
- IR is required to identify Tax Invoices for such Capital goods purchased after 01.04.2017 where CENVAT Credit of capital goods has been availed currently.
- Verify the CENVAT Credit availed till date against such invoices vis-à-vis the CENVAT Credit register
- Identify Tax Component in all these Invoices
- Verify physical presence of such capital goods
- Record seller/supplier details, date of invoice, invoice number, invoice value and tax component in a separate electronic format
- Maintain a record of filing of returns for the period from Jan'16 to June'16
- Post Implementation of GST, IR needs to file a return named GST Tran- 01. This will include the details of CENVAT credit details captured in the electronic records as stated above which has been carried forward as Input Tax Credit in GST.

C. Claiming of Credit on Good-in-Transit on date of GST

Indian Railways may receive certain goods or services after 01.07.2017 (after applicability of GST) but payment for this was made before 01.07.2017, Indian Railways can claim Input Tax Credit on such goods in GST by complying with the following steps;

- Ensure seller pays the taxes on such supply of goods or services before 01.07.2017
- Invoices to be booked by IR in Accounts by 30.07.2017
- Maintain separate record for such goods/services received along with invoices after applicability of GST.

Above instructions may be scrupulously followed.

(Anjali Goyal)
Adviser/Accounts

9/1/2018