The General Managers, All Indian Railways/PUs, NF(C), CORE
The DG/RDSO/Lucknow & NAIR/Vadodara
CAOs, DMW/Patiala, WPO/Patna, COFMOW/NLDS
MD/All Railway PSUs, KRCL, MRVC

Sub: GST on transactions in supply of goods on Indian Railways.

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1.0 Railway Board has been receiving references with regard to implications in supply of goods, on Zonal Railways and PUs, of "Bill to Ship to" transactions as contained in the Integrated Goods and Services Tax Act, 2017 (IGST Act).

2.0 In this regard, following is noted with regard to supply of goods on Indian Railways:

(i) Purchase office issues the purchase order to meet the requirements of the consignee and the supplier makes supply of goods directly to the consignee at consignee’s location. Consignee is the recipient of goods and the competent authority for final inspection and acceptance of goods.

(ii) Purchase order is placed at the instance of the consignee to meet consignee’s requirements. Purchase office has no discretion regarding place of delivery.

(iii) The office issuing purchase order does not act in the capacity of an agent (as per provisions of the Central Goods and Services Tax Act, 2017) of the consignee. Various authorities mentioned in the purchase order, such as, purchaser, authority receiving bills and making payments, etc. perform assigned duties to meet the requirements of the consignee.

3.0 In view of above, relationship between the purchaser and consignee, for supply of goods on Indian Railways, does not make purchaser as the ‘third person’ under section 10(1)(b) of the IGST Act.

4.0 Railways/ PUs may also avail services of their GST consultants for further clarification, if required.

5.0 This is issued with the concurrence of Finance Directorate of the Ministry of Railways.

(This disposes off W.C. Railway letter No. WCR/S-HQ/GST/E-Way Bill dated 03/04/2018.)

(Praveen Kumar)
Jt. Dir. Rly. Stores (G)
Railway Board

No: 2000/RS(G)/379/2

New Delhi, dated: 10.01.2019

1. PFAs, All Indian Railways & Production Units
2. The ADAI (Railways), New Delhi

for Financial Commissioner / Railways
1. The PCMMs, PCEs, CMEs, CEEs, CSTEs, All Indian Railways & PUs, RCF/RBL/NLDS, COFMOW, CORE, WPO and RWP/Bela
2. The Directors-
   a. Indian Railway Institute of Sig. Engg. & Telecom, Secunderabad.
   d. Indian Railway Institute of Civil Engg., Pune.
   e. Indian Railway Institute of Traffic Management, Lucknow
3. Sr.Prof. (Materials Management), NAIR, Vadodara
4. MD, CRIS, Chanakya Puri, New Delhi
5. MD, RITES, RITES Bhawan, Sector -29, Gurugram
6. Director, Iron & Steel, 3, Koila Ghat Street, Kolkata.
7. Executive Director (Stores), RDSO, Manak Nagar, Lucknow.
9. Zonal Railway Training Institute, Sukadia Circle, Udaipur

(Praveen Kumar)
Jt. Dir. Rly. Stores (G)
Railway Board

Copy to:- PSOs / Sr. PPSs / PPS / PS to

1. MR, MoS(S), MoS(G), ED(Co-ordination)/MoS(G)
2. CRB, FC, ME, MTR, MRS, MS, MT, SECY., DG(RS), DG(S&T), DG(Personnel), DG/RHS, DG/RPF
3. All AMs and PEDs & All Executive Directors of Railway Board.

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