Sub: GST on sale of scrap by Indian Railways

Ref: GST Circular No. 67/2017 issued by Railway Board under letter no. 2017/AC-II/01/18/GST Queries dated 23.10.2017

Please find attached GST circular issued by Railway Board on the subject matter referred above. The said circular is attached herewith along with copies of relevant notifications of Ministry of Finance (Department of Revenue), for information and necessary action.

(J.C. Taneja)
Dy. Director Rly. Stores (G)-II
Railway Board

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

1. The PCMMs, PCEs, CMEs, CEEs, CSTEs, All Indian Railways & Pus, RCF/RBL/NDLS, COFMOW, CORE, WPO and RWP/Bela

2. The Directors-
   a. Indian Railway Institute of Sig. Engg. & Telecom, Secunderabad.
   d. Sr.Prof. (Material Management), NAIR, Vadodara.
   e. Indian Railway Institute of Civil Engg., Pune.
   f. Indian Railway Institute of Traffic Management, Lucknow

3. MD, CRIS, Chanakya Puri, New Delhi.
4. MD, RITES, RITES Bhawan, Sector -29, Gurugram
5. Director, Iron & Steel, 3, Koila Ghat Street, Kolkata.
6. Executive Director (Stores), RDSO, Manak Nagar, Lucknow.
7. Chief Commissioner, Railway Safety, Lucknow.
8. Zonal Railway Training Institute, Sukadia Circle, Udaipur

(J.C. Taneja)
Dy. Director Rly. Stores (G)-II
Railway Board

No: 2008/RS(G)/777/1

New Delhi, dated: 30.10.2017

Copy to:

1. The Genl. Secy, AIRF, Room No.248, & NFIR Room No. 256-C, Rail Bhawan
2. The Genl. Secy., IRPOF, Room No. 268, FROA, Room No. 256-D & AIRPFA,
   Room No. 256-D, Rail Bhavan,

(J.C. Taneja)
Dy. Director Rly. Stores (G)-II
Railway Board

Copy to:- PSOs/Sr. PPSs / PPS / PS to
1. MR, MoS(S), 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 Advisors & All Executive Directors of Railway Board.
Sub :- GST on Sale of Scrap.

Ministry of Finance (Department of Revenue) vide its notification No. 36/2017-Central Tax (Rate) dated 13th October, 2017 has notified the amendments in the notification No. 4/2017-Central Tax (Rate) dated the 28th June, 2017 by inserting the following item in the table:-

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Tariff item, sub-heading, heading or Chapter</th>
<th>Description of Goods</th>
<th>Supplier of goods</th>
<th>Recipient of supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Any chapter</td>
<td>Used vehicles, seized and confiscated goods, old and used goods, waste and scrap</td>
<td>Central Government, State Government, Union territory or a local authority</td>
<td>Any registered person</td>
</tr>
</tbody>
</table>

It may be recalled that the notification No. 4/2017-Central Tax (Rate) dated 28th June, 2017 specified that in respect of certain items as specified in column 2 supplied by a person specified in Column 4 of an intrastate supply, recipient of supply as mentioned in column 5 will have to GST on reverse charge mechanism basis. Copy of both the above notification may kindly be referred to as published in www.cbic.gov.in.

(V.Praaksh)
Joint Director/Accounts
Railway Board

Copy to :-
1. PSOs all Board Members,
2. FA&CAOs All Zonal Railways/PU
3. All EDs of ED level Empowered Committee in Railway Board
4. All Directors of GST Cell, Railway Board
5. MD, CRIS, Chanakyapuri, New Delhi.
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(Department of Revenue)

Notification No.4/2017-Integrated Tax (Rate)

New Delhi, the 28th June, 2017

G.S.R. (E) - In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the supply of goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, made by the person as specified in the corresponding entry in column (4), in respect of which the integrated tax shall be paid on reverse charge basis by the recipient of the intra-state supply of such goods as specified in the corresponding entry in column (5) and all the provisions of the said Act shall apply to such recipient, namely:-

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Tariff item, sub-heading, heading or Chapter</th>
<th>Description of supply of Goods</th>
<th>Supplier of goods</th>
<th>Recipient of supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>0801</td>
<td>Cashew nuts, not shelled or peeled</td>
<td>Agriculturist</td>
<td>Any registered person</td>
</tr>
<tr>
<td>2.</td>
<td>1404 90 10</td>
<td>Bidi wrapper leaves (tendu)</td>
<td>Agriculturist</td>
<td>Any registered person</td>
</tr>
<tr>
<td>3.</td>
<td>2401</td>
<td>Tobacco leaves</td>
<td>Agriculturist</td>
<td>Any registered person</td>
</tr>
<tr>
<td>4.</td>
<td>5004 to 5006</td>
<td>Silk yarn</td>
<td>Any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn</td>
<td>Any registered person</td>
</tr>
<tr>
<td>5.</td>
<td>-</td>
<td>Supply of lottery.</td>
<td>State Government, Union Territory or any local authority</td>
<td>Lottery distributor or selling agent. <em>Explanation.</em> For the purposes of this entry, lottery distributor or selling agent has the same meaning as assigned to it in clause (c) of Rule 2 of the Lotteries (Regulation) Rules, 2010, made under the provisions of sub section 1 of</td>
</tr>
</tbody>
</table>
Explanation.—

(1) In this Table, “tariff item”, “sub-heading”, “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India
G.S.R. (E).—In the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No.4/2017-Integrated Tax (Rate), dated the 28th June, 2017 published at page 156 of the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 669(E), dated the 28th June, 2017, in line 16, for “intra-state” read “inter-state”.

[F. No. 354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India
G.S.R. (E).—In exercise of the powers conferred by sub-section (3) of section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), the Central Government, on the recommendations of the Council, the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.4/2017- Integrated Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 669 (E), dated the 28th June, 2017, namely:-

In the said notification,—

(i) after S. No. 5 and the entries relating thereto, the following serial number and the entries shall be inserted, namely: -

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Tariff item, sub-heading, heading or Chapter</th>
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<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>6.</td>
<td>Any Chapter</td>
<td>Used vehicles, seized and confiscated goods, old and used goods, waste and scrap</td>
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<td>Any registered person</td>
</tr>
</tbody>
</table>

[F. No. 354/117/2017- TRU (Pt. III)]

(Ruchi Bisht)
Under Secretary to Government of India
G.S.R. (E).—In exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby specifies the supply of goods, the description of which is specified in column (3) of the Table below and falling under the tariff item, sub-heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Table, made by the person as specified in the corresponding entry in column (4), in respect of which the central tax shall be paid on reverse charge basis by the recipient of the intra-state supply of such goods as specified in the corresponding entry in column (5) and all the provisions of the said Act shall apply to such recipient, namely:-

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<td>Bidi wrapper leaves (tendu)</td>
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</tr>
</tbody>
</table>

Explanation.—For the purposes of this entry, lottery distributor or selling agent has the same meaning as assigned to it in clause (c) of Rule 2 of the Lotteries (Regulation) Rules, 2010, made under the
Explanation. –

(1) In this Table, “tariff item”, “sub-heading”, “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading or chapter, as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

2. This notification shall come into force with effect from the 1st day of July, 2017.

[F.No.354/117/2017-TRU]

(Mohit Tewari)
Under Secretary to the Government of India
G.S.R. (E).—In exercise of the powers conferred by sub-section (3) of section 9 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.4/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 676 (E), dated the 28th June, 2017, namely:-

In the said notification,-

(i) after S. No. 5 and the entries relating thereto, the following serial number and the entries shall be inserted, namely: -

<table>
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<th>Sl. No.</th>
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<td>Any registered person</td>
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</table>

[F. No. 354/117/2017-TRU (Pt. III)]

(Ruchi Bish)  
Under Secretary to Government of India