

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI

DEPARTMENT OF TRADE AND TAXES

POLICY (GST) Branch

VYAPAR BHAVAN : I.P. ESTATE : DELHI-02

F. No. 3(66)/Policy-GST/2017/1434-40

Dated: 30/01/2018

Circular No. 09/2018-GST

(Ref: Central Circular No. 04/2018-GST)

Subject: Clarification on supplies made to the Indian Railways classifiable under any chapter, other than Chapter 86 - regarding.

Representations have been received that certain suppliers are making supplies to the railways of items classifiable under any chapter other than chapter 86, charging the GST rate of 5%.

2. The matter has been examined. Vide State Notification No. 1/2017 -State Tax (Rate) dated 30th June, 2017, read with State Notification No. 5/2017- State Tax (Rate) dated 30th June, 2017, goods classifiable under Chapter 86 are subjected to 5% GST rate with no refund of unutilised input tax credit (ITC). Goods classifiable in any other chapter attract the applicable GST, as specified under state notification No. 1/2017 -State Tax (Rate) dated 30th June, 2017 or state notification No. 2/2017-State Tax (Rate) dated 30th June, 2017.

3. The GST Council during its 25 meeting held on 18th January, 2018, discussed this issue and recorded that a clarification regarding applicable GST rates on various supplies made to the Indian Railways may be issued.

4. Accordingly, it is hereby clarified that

- only the goods classified under Chapter 86, supplied to the railways attract 5% GST rate with no refund of unutilised input tax credit and
- other goods [falling in any other chapter], would attract the general applicable GST rates to such goods, under the aforesaid notifications, even if supplied to the railways.

(H. Rajesh Prasad)

Commissioner (GST)