

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

No.TCR/1078/2017/16 Pt.

Date : 08.03.2018

**Principal Chief Commercial Manager,  
All Zonal Railways.**

**Sub : Clarification as Levy of GST on demurrage/ wharfage, WRF etc. for  
transportation of goods by rail.**

Subject issues have been examined in Board's office and clarifications thereon are as under :

S.No.	Issue	Clarification
1.	Levy of GST on Principal charge : Point of raising GST, and procedure for refund (if due)	<p>GST is to be levied at the same time as the principal charge. For example: in case of raising demurrage/ wharfage, GST has to be raised at the same time.</p> <p>If demurrage/ wharfage and applicable GST has been collected, and there is a partial or full waiver of demurrage/ wharfage on a later date, then that amount will be refunded by Railways as per extant procedure; along with proportionate GST amount.</p> <p>To refund the demurrage/ wharfage etc. and the GST thereon to a registered user (consignor/service recipient registered under GST law), credit note to the recipient as per section 34 of the CGST Act, needs to be issued. If refund of demurrage/ wharfage is to be made to an unregistered recipient (service recipient not registered under GST law), a credit note should be issued. Assistance of GST consultants engaged by Zonal Railway may be utilised.</p>
2.	GST On Wagon Registrations Fee: Applicability & refund procedure	<p>No GST is leviable on WRF in case of its refund or forfeiture.</p> <p>In case, the WRF received is adjusted with freight, GST will be leviable on the same; and may be collected and charged with freight in RR.</p> <p>The GST on WRF collected so far in cases which are exempt from GST (i.e. in cases where WRF itself was refunded/forfeited or where WRF was adjusted in freight but GST collected as same was neither refunded nor adjusted in freight) may be now refunded to customers as per procedure in Para 1 above.</p>

3.	In case of WRF collected before 01.07.2017, system does not provide refund of service tax @4.5% at the time of service tax adjustment of WRF.	<p>The service tax so collected by Railways (from customers) prior to 01.07.2017 will be refunded to the customers; if principal charge (WRF) has been refunded or is due for refund.</p> <p>As per the transition provision under section 142(5) of the CGST Act, Accounts Department of Railway will file refund claim of service tax so deposited under earlier service tax law (Finance Act, 1994) within one year of date of payment of duty (based on section 83 of the Finance Act, 1994 read with section 11B of the Central Excise Act, 1944).</p> <p>All those cases in which refund of WRF along with applicable tax thereon needs to be made to the customers, Zonal Railway Accounts needs to identify service tax deposited with the government and claim refund under service tax provisions by filing refund claim as per law. Assistance of GST consultants engaged by Zonal Railway may be utilised.</p>
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Commercial and Accounts department may formulate a JPO/guidelines to process refund cases of past and also for future cases at Zonal level in consultant with GST consultants engaged by Zonal Railways.

This issues in consultation with Accounts Directorate of Ministry of Railways.

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*Shilpi Bishnoi*  
08.03.18

**(Shilpi Bishnoi)**  
**Director Traffic Commercial (Rates)**  
**Railway Board**