S.No 170

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD

No. 2012/TG.III/631/2 New Delhi dated 09/04/2018

The General Managers
All Indian Railways

CMD/IRCTC,
New Delhi

CMD/KRCL,
Navi Mumbai

(Commercial Circular No. 21 of 2018)

Sub: Incidence of Goods and Service Tax (GST) on provision of Catering Services over IR.

Ref: (i) Commercial Circular No. 78 of 2012 dated 21.12.2012.
(ii) Commercial Circular No. 44 of 2017 dated 29.06.2017
(iii) Commercial Circular No. 48 of 2017 dated 30.06.2017
(iv) Board's letter No. 2016/AC-II/01/Misc./GST (RBA No. 164/2017) dtd 20.11.2017
(v) Board's letter no. 2017/TG-III/631/6 dated 18/09/2017.
(vi) Commercial Circular No. 79 of 2017 dated 01.12.2017

Ministry of Finance (Department of Revenue) vide O.M..No. 354/03/2018 – TRU dated 31.03.2018 has clarified that ***"the applicable GST rate on supply of food and/or drinks by Indian Railways or IRCTC or their licensees, whether in trains or at platforms (static units), will be 5% without Input Tax Credit (ITC")***. Based on the clarifications received from Ministry of Finance, following are advised :-

1. For levy of GST on catering services through static units on Indian Railways including parliament canteen, instructions issued vide CC No. 79 of 2017 dated 01/12/2017 will continue to be in vogue.

2. For all mobile units, the applicable GST rate, on supply of food and/or drinks by Indian Railways or IRCTC or their licensees will be **5% without Input Tax Credit (ITC)**.

3. For Mail/Express trains (All Post-paid catering services), revised GST is applicable with immediate effect. However, in case of Rajdhani/Shatabdi/Duronto type trains (All Pre-paid catering services), it shall be made applicable **w.e.f 16/04/2018** for advance reservation period.

4. The revised catering apportionment charges for Rajdhani/Shatabdi/Duronto type trains where catering charges are inbuilt in ticket fare are as under:-

Type of service	Catering charges disbursed to the Service provider (without GST). (in Rs.)	Amount of GST @ 5% (in Rs.)	Catering charges to be disbursed to the Service provider (inclusive of GST @5%) (in Rs)	Catering Charges to be included in the ticket fare inclusive of GST @5% (in Rs.)
1AC/EC				
Morning Tea	12.5	0.63	13.13	15
Breakfast	81.5	4.08	85.58	90
Lunch/ Dinner	129.5	6.48	135.98	140
Evening Tea where dinner is served	41	2.05	43.05	45
Evening Tea where dinner is not served	66.5	3.33	69.83	70
Combo Meal	66.5	3.33	69.83	70

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2A/3A/CC				
Morning Tea	8	0.4	8.4	10
Breakfast	66.5	3.33	69.83	70
Lunch/ Dinner	112	5.60	117.60	120
Evening Tea	40	2.00	42.00	45
Combo Meal	66.5	3.33	69.83	70
SL (Duronto)				
Morning Tea	6.5	0.33	6.83	10
Breakfast	34	1.70	35.70	40
Lunch/ Dinner	71	3.55	74.55	75
Evening Tea	18	0.90	18.90	20

5. In case of Rajdhani/Shatabdi/Duronto type trains where catering charges are part of the ticket fare and collected by Railways from passengers, the amount of GST as applicable and indicated above is to be reimbursed to the service providers on submission of proof of deposit of same with the appropriate Government Authority. However, in case of Mail/Express trains and other static units, where catering services are provided on payment basis and the above taxes are collected directly from the passengers through cash memo, money receipts etc., the service providers shall deposit the amount of GST at the revised rates to the concerned government Authority as per extant GST rules. Zonal Railways /IRCTC/KRCL shall ensure that the GST collected from the passengers are deposited with the concerned Government Authorities as per the guidelines /procedures laid down by Ministry of Finance.

6. In addition to the above, GST on catering services of other premium trains like Tejas, Gatiman, Shivalik etc. shall be levied @ **5% without ITC**. Accordingly, necessary changes in the catering apportionment charges shall be advised by the Zonal Railways to CRIS.

7. For all such trains where catering charges are inbuilt in ticket fare (all pre-paid trains viz Rajdhani/Shatabdi/Duronto), Zonal Railways shall take immediate necessary action for calculation of catering apportionment charges as per the revised GST rates indicated above for various service requirements between different pairs of stations.

8. For other Mail/Express trains (all Post-paid catering services), the rates already notified vide Commercial Circular No. 78 of 2012 remain unchanged after applicability of revised GST but are now inclusive of GST **@5% without ITC**.

This issues with the concurrence of Finance Dte. of Railway Board.

(P.P.Lathe)
Dy Director (T&C)
Railway Board

No. 2012/TG.III/631/2 New Delhi dated 09 /04/2018

Copy to: (i) Principal Chief Commercial Manager/ All Indian Railways
(ii) Principal Finance Advisers / All Indian Railways
(ii) ADAI/Railways
(iii) EDPM, ED(Rates), ED(C&IS), MD/CRIS,

Pl. issue

9/4/18

For Financial Commissioner, Railways

09/4/18

D/C