

**GOVERNMENT OF WEST BENGAL
DIRECTORATE OF COMMERCIAL TAXES
14, BELIAGHATA ROAD, KOLKATA-700015**

TRADE CIRCULAR No. 26/2018 (*Circular No. 30/04/2018-GST*)

DATED: 17.09.2018

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

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 notification No. 1125-F.T. [1/2017 –*State Tax (Rate)*] dated 28th June, 2017, read with notification No. 1129-F.T. [5/2017-*State Tax (Rate)*] dated 28th 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 notification No. 1125-F.T. [1/2017 –*State Tax (Rate)*] dated 28th June, 2017 or notification No.1125-F.T. [1/2017 –*State Tax (Rate)*] dated 28th June, 2017.

3. The GST Council during its 25th 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.

5. This circular shall be deemed to have come into force with effect from 25.01.2018.

Sd/-
(Smaraki Mahapatra)
Commissioner,
State Tax, West Bengal

Memo. 386 CT/PRO
3C/PRO/2018

Date: 18.09.2018

Copy forwarded to the Additional CST/ISD for information and for uploading it on the official website of the Directorate for information of all concerned.

Sd/-
(Adesh Kumar)
Special CST & PRO