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

RBA No. 08/2021

No. - 2018/AC-IV/B.O/5/2/Debits

Date: - 08.02.2021.

Pr. Financial Advisor,
All Zonal Railways/PUs

Subject: - Procedure Order for identification and financing of Rolling Stock assets against EBR (IRFC) funds.
Ref: - ED(RM)'s letter no. 2018/F(F.Ex)/22/17 dated 22.12.2020.

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Procedure Order for identification, financing and accountal of Rolling Stock Assets against EBR (IRFC) has already been issued by ED(RM) vide above referred letter dated 22.12.2020. Concerned units/sections may kindly be instructed to raise EBR (IRFC) funded debits towards IRFC funded Rolling Stock (Bulk Order) against allottee Railways as per procedure prescribed under Annexure-III of Board's instructions ibid w.e.f. February 2021.

Accordingly no debit for IRFC funded Rolling Stock should be transferred to B.O. Branch, Railway Board.

Kindly ensure compliance.

DA: As above.

(V. Prakash)
Director/Accounts,
Railway Board

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

No.2018/F(F.Ex)/22/17 New Delhi, dated 22.12.2020

The General Managers,
All Zonal Railways & Production Units.

Sub: Procedure Order for identification and financing of Rolling Stock assets with IRFC funds

A Procedure Order covering financing of Rolling Stock assets with IRFC funds, their identification, compilation and transmission of details and invoices to Railway Board and IRFC, is enclosed for strict compliance.

2. Please acknowledge receipt.

DA: As above

(Petal Dhillon)
Executive Director (RM)
Railway Board

(459)

No.2018/F(F.Ex)/22/17 New Delhi, dated 22.12.2020

Copy to:-
1. The PFAs, All Zonal Railways and Production Units
2. The CWMs, Amritsar Workshop/NR, Hubli Workshop/SWR, GOC Workshop/SR, Jamalpur Workshop/ER, Samastipur Workshop/ECR.

(Petal Dhillon)
Executive Director (RM)
Railway Board

Copy to:-
The Chairman & Managing Director, IRFC, NBCC Place, Lodhi Road, New Delhi.

AM(B), AM(F), AM(Elec), AM(RS), AM(PU), AM(ME), PED(A), EDF(B), EDF(X)I, EDF(X)II, EDF(S), EDRS(S), EDRS(P), EDRS(RS), EDME(W), EDME(Chg.), DF(A), JDF(B), JDF(CCA), JDA, PAO/RB, Budget, F(X)II, AC-IV, RS(B), FS(I), FS(II), FS(III) Sections of Railway Board.

SAO/AC-IV

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

सं.2018/एफ(एफ.एक्स)/22/17 नई दिल्ली, दिनांक 22.12.2020

महाप्रबंधक,
सभी क्षेत्रीय रेलें एवं उत्पादन इकाइयां।

विषय: चल स्टॉक परिसंपत्तियों को चिह्नित करने और आईआरएफसी निधि से उनके वित्तपोषण के लिए प्रक्रिया आदेश।

आईआरएफसी निधि से चल स्टाक परिसंपत्तियों का वित्तपोषण करने, चिह्नित करने, संकलित करने और रेलवे बोर्ड तथा आईआरएफसी को इनके आबंटन का विवरण एवं बीजक भेजने के लिए प्रक्रिया आदेश संलग्न है। कृपया इसका कड़ाई से अनुपालन सुनिश्चित करें।

2. कृपया पावती दें।

संलग्न: यथोक्त

(पेतल ढिल्लों)
कार्यपालक निदेशक (आरएम)
रेलवे बोर्ड

सं.2018/एफ(एफ.एक्स)/22/17 नई दिल्ली, दिनांक 22.12.2020

प्रतिलिपि प्रेषित:-

1. प्रधान वित्त सलाहकार, सभी क्षेत्रीय रेलें एवं उत्पादन इकाइयां
2. मुख्य कारखाना प्रबंधक, अमृतसर कारखाना/उत्तर रेलवे, हुबली कारखाना/दक्षिण पश्चिम रेलवे, जीओसी कारखाना/दक्षिण रेलवे, जमालपुर कारखाना/पूर्व रेलवे, समस्तीपुर कारखाना/पूर्व मध्य रेलवे।

(पेतल ढिल्लों)
कार्यपालक निदेशक (आरएम)
रेलवे बोर्ड

प्रतिलिपि प्रेषित:-

अध्यक्ष एवं प्रबंध निदेशक, आईआरएफसी, एनबीसीसी प्लेस, लोधी रोड़, नई दिल्ली।

No.2018/F(F.Ex)/22/17

Procedure Order for identification and financing of Rolling Stock assets with IRFC funds

1. Introduction

1.1 Indian Railway Finance Corporation (IRFC) is the dedicated market borrowing arm of the Ministry of Railways (MOR). Allocation of Business Rules of Govt. of India do not permit Indian Railways to borrow directly from the financial market. Dwindling budgetary support on account of fiscal consolidation and inadequate internal generation had constrained the growth of Indian Railways and hampered its expansion plans. Therefore, IRFC was created to augment the Plan funding needs of Indian Railways. MOR relies heavily on IRFC for its Extra Budgetary Resource requirement to fund acquisition of its rolling stock.

1.2 The target for market borrowing through IRFC each year is fixed by the Government after taking into account the size of the Railways' Annual Plan and availability of resources from budgetary support and internal generation. IRFC funds are allocated to items of Rolling Stock Programme (allocation shown as 'Bonds') that forms part of the Annual Budget. Based on the annual borrowing target communicated by MOR, IRFC raises funds from the financial markets depending on the prevalent market conditions. Funds borrowed by IRFC are received into a deposit account maintained by FA&CAO, Northern Railway and credits are passed on to the Railways by Accounts Dte. of Railway Board against expenditure booked on the concerned RSP items.

1.3 IRFC follows financial leasing model for financing rolling stock assets. IRFC funds are utilized for acquiring identifiable rolling stock assets namely, Wagons, Coaches and Locomotives for use by Railways. IRFC leases out these assets to Indian Railways. IRFC funds are not used for production/procurement of non-identifiable items because of difficulty in devising a suitable leasing arrangement between MOR and IRFC.

1.4 Every year, IRFC enters into a Standard Lease Agreement with MOR through which lease rentals in respect of rolling stock assets acquired during the year are fixed. Payment of lease rentals by MOR to IRFC cover cost of borrowing, element of repayment of Principal and moderate spread. Payment of lease rentals by MOR to IRFC forms a part of the Annual Budget which is approved by the Parliament of India.

2. Budget Provision

2.1 Budget provision for rolling stock assets is made in the Annual Budget based on estimated fund requirements compiled by RS(B) Branch, Railway Board from Production Units and concerned Technical Dtes of Railway Board and made available to Budget Dte. This practice shall continue. Budget Dte. shall communicate the borrowing target set for IRFC for financing rolling stock assets at different stages of budgetary approval during a financial year i.e. at BE before commencement of financial year, RE by November, and FME by 15th March to Finance (RM) Dte. for onward transmission to IRFC, so that IRFC may plan borrowing from market accordingly. Based on the BE of every financial year, Railway Stores(B) Dte., after getting inputs from Mechanical PU Dte., shall provide by 1st April the estimated quarterly requirement of IRFC funds to Finance (RM) Dte. for onward transmission to IRFC.

3. Identification of Rolling Stock

3.1 Railway Stores (B) Dte. shall identify and compile the list of rolling stock assets produced/procured against IRFC funds from the information received from concerned Zonal Railways/PUs and pass it on to F(RM) Dte for onward transmission to IRFC. This list of rolling stock assets (containing details like month-wise placement, Railway-wise distribution, individual number, RSP No., value of asset etc. as per format at Annexure –I) shall form part of the Standard Lease Agreement executed between MOR and IRFC for that financial year.

3.2 Railway Board allots the Zonal Railway and individual number to a particular rolling stock asset. Based on the unique number so allotted by the Mechanical Directorate, Railway Board to a particular rolling stock asset, RS(B) Dte. of Railway Board identifies a rolling stock asset. Any delay in allotment of Zonal Railways/individual numbers to rolling stock assets leads to delay in finalisation of the list of rolling stock assets. Therefore, Mechanical Directorate, Railway Board shall ensure that the Zonal Railways/individual numbers to rolling stock assets are allotted in a timely manner.

4. Invoices and Data

4.1 From FY 2017-18, GST has come into effect and as a result, mechanism of compilation and transmission of details and invoices pertaining to rolling stock assets funded by IRFC shall be as under :-

(i) Concerned Zonal Railways/PUs shall identify the rolling stock assets produced/procured from Production Units, Railway PSUs, Other PSUs (like BHEL), Railway Workshops and Private Manufacturers against IRFC funds during each month and furnish details of such rolling stock assets including basic price, GST etc as per the proforma at Annexure-I to RS(B) Dte. /EDRS(S), Railway Board latest by 20th of the succeeding month. Thereafter, RS(B) Dte./EDRS(S), Rly. Board, after due scrutiny, shall pass on these details to Finance(RM) Dte. latest by 25th of the month and Finance(RM) Dte. shall transmit the same to IRFC latest by 30th of the month following the month of production/procurement.

(ii) Concerned Zonal Railways/PUs shall also furnish invoices of rolling stock assets produced/procured from Production Units, Railway PSUs, Other PSUs (like BHEL), Railway Workshops and Private Manufacturers against IRFC funds during each month to IRFC in original and copy to RS(B) Dte./EDRS(S), Railway Board latest by 20th of the succeeding month. A copy of Invoice format is also enclosed at Annexure–II. Zonal Railways/PUs shall ensure that the total amount mentioned on invoices shall tally with details of rolling stock assets provided every month as per Annexure-I. The invoices should be in the name of IRFC and should bear IRFC's following office address and GSTIN:-

Indian Railway Finance Corporation Ltd.,
UG-Floor, East Tower,
NBCC Place, Bhisham Pitamah Marg,
Pragati Vihar, Lodhi Road,
New Delhi – 110003.

GSTIN – 07AAAC10681C1Z1

(iii) In case of Wagons, NR, ER and Railway Workshops at Amritsar, Hubli, GOC, Jamalpur and Samastipur etc. shall identify the wagons produced/procured against IRFC funds during each month and furnish details of such wagons including basic price and cost of free supply items, if any, as per Railway Board's contract and GST as per the proforma at Annexure-I to RS(B) Dte./EDRS(S), Railway Board latest by 20th of the succeeding month. Thereafter, RS(B) Dte., after due scrutiny, shall pass on these details to Finance(RM) Dte. latest by 25th of the month and Finance(RM) Dte. shall transmit the same

to IRFC latest by 30th of the month following the month of production/procurement.

(iv) NR, ER and Railway Workshops at Amritsar, Hubli, GOC, Jamalpur and Samastipur shall also furnish invoices of wagons produced/procured against IRFC funds during each month to IRFC in original and copy to RS(B) Dte./EDRS(S), Railway Board latest by 20th of the succeeding month. The invoices should be in the name of IRFC and should bear IRFC's office address and GSTIN mentioned at (ii) above.

(v) In case of wagons manufactured by private manufacturers and supplied to NR & ER, the private manufacturers shall issue invoice to NR & ER as per existing system, thereafter, NR & ER shall raise tax invoice for sale of wagons in the name of IRFC at the same price. The invoices raised by NR & ER should bear IRFC's office address and GSTIN mentioned at (ii) above.

(vi) On the basis of details and invoices of the rolling stock provided by Zonal Railways/PUs and transmitted to IRFC each month as per procedure indicated above, IRFC shall compile the list of rolling stock to be annexed with the Lease Agreement between MOR and IRFC. Discrepancies, if any, may be intimated by IRFC to Finance (RM) Directorate within 7 working days of receipt of information.

5. The detailed accounting and GST procedure for IRFC funded Rolling Stock as devised by Accounts dTe., Railway Board is enclosed at Annexure-III.

6. In the event of any inter Railway transfer of Rolling Stock during the lease period due to any reason, the same shall be intimated by the concerned Railways to RS(B) Dte./EDRS(S), Railway Board. Thereafter, RS(B) Dte./EDRS(S) Railway Board will provide the information to F(RM) Dte. for onward transmission to IRFC.

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Statement showing the Locomotives/Coaches/Wagons released to traffic against IRFC funds for the month of .....

ANNEXURE-II

S.No.	Invoice No.	Invoice date	Invoice Amount			RSP No.	Type	Individual No.	Allottee Rly.	Qty.	Unit cost	Total Amount (including GST)
			Basic Price	GST	Total							
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
Total for the month												
Total till end of previous month												
Cumulative total to end of current month												

Annexure - I

Original for Recipient
Duplicate for Supplier/Transporter
Triplicate for Supplier

Form for Entry for GST Manual Transactions of Receipt

Part A.

1. Transaction Type:
Name of Supplier: Ministry of Railways
2. Transaction Mode:
3.1 Old Invoice No:
3.2 Old Invoice date:
4. Transaction Mode at:
5.Station /Cash Office Name:
6. Railway Department:
7. Contract Value:
8. Zone/PU:
9, Division:
10. State:
11. Goods and Services Transaction Description:
12 Movement involved:

13. Recipient's Details

13.1 Name: IRFC, New Delhi
13.2 Govt. Entity (Y/N):
13.3 Registered with GSTIN (Y/N):
13.4 GSTIN: 07AAAC10681C1Z1
13.4.1 SEZ Type of Recipient GSTIN(Y/N):
13.4.2 Is SEZ Tax Payable:
13.5 Is Tax payable on Reverse Charge basis (Y/N) :
13.6 State of Registration: 07 - DL
13.7 Registered Address: IRFC, UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Road, New Delhi - 110003
13.8 Email Id: info@irfc.nic.in
13.9 Phone: 011-24369766-69, FAX:011-24369770
13.10 Place of Supply/Service and Address:
13.11 Place of Delivery of Service and Address:
13.12 Movement by:
13.13 Name of Representative/Vendor: IRFC, New Delhi
13.14: Business Entity:

Part B.

Imp: Invoice Number must be printed on the MR/Parcel Way Bill etc.

1. Invoice No.:
2.Station /Cash Office Name:
3. MR/PW No. :
4. Invoice No:
5.GSTIN(State-Rly):
6. State Code of the Supplier:
7.Accounts Allocation Code:
8. Department Code:
9. Transaction Category:
10. Railway GSTIN Registered Address:
11. Letter of Authority taken (Y/N):
12. State of Supply:
13. TDS Applied (Y/N):
14. Code Type:
15. Service accounting/HSN code:
16. Quantity:
17. Units (UQC):
18. Applicable Taxes:

19. Invoice and Tax Charged Details

19.1 Total Value of supply:
19.2 Total Taxable Value:
19.2.1 Cost Rate:
19.2.2 CESS Amount:
19.3 IGST Rate:
19.4 IGST Amount:
19.5 IGST TDS:
19.6 CGST Rate:
19.7 CGST Amount:
19.8 CGST TDS:
19.9 SGST Rate:
19.10 SGST Amount:
19.11 SGST TDS:
19.12 UGST Rate:
19.13 UGST Amount:
19.14 UGST TDS:

Declaration: I/We declare this invoice shows the actual price of services described and that all particulars given above are true and correct.

Signature of the Authorized signatory with stamp

Annexure-III

Procedure for raising of Debits by Paying/Manufacturing Railways for IRFC funded Bulk Order Items:

At present debits for Bulk Order items is passed on to the Allottee Railways through Rly. Bd. Bulk Order Branch. Under the revised scheme, instead of raising debits to Railway Board, Railways/PUs producing/procuring the IRFC funded Rolling Stock shall pass on debits (Cost + GST) directly to the allottee Railways by contra clearance of their WMS based on the invoice.

(a) Cases where Rolling Stock is Manufactured by Railways: -

i. In case of Rolling Stock manufactured by Rly. workshop /PU, the invoice shall be issued in the name of IRFC (with IRFC's GISTIN) and sent to IRFC, under advice to the allottee Railway. GST charged on Invoice shall be part of Railway's output liability on sale of such Rolling Stock and will be set off against GST paid on items procured for manufacturing thereof. The following accounting entries will be made while transferring these debits to allottee Railways:

Transfer Other Rly. (Allottee Railways)		Dr.
WMS	Cr.	
Dep. Misc./GST (@5%)	Cr.	

Being the adjustment of cost transferred to allottee Railways

ii. The allottee Railway will accept the debits under Deposit Misc-IRFC by contra credit to the originating PU/ Railway.

Transfer Other Railway (Production Unit/ Rly)	Cr	
Deposit Misc-IRFC		Dr

Being the adjustment of acceptance of cost transferred by manufacturing Unit/Rly

iii. Simultaneously, the allottee Railway shall take credit of the equivalent amount under Deposit Misc-IRFC by contra debit to Transfer Other Railway (PAO/ Railway Board), where centralized account of IRFC deposits is maintained:

Deposit Misc-IRFC	Cr	
Transfer Other Railway (Northern Rly./PAO,Rly. Bd.)		Dr

Being the adjustment towards IRFC Deposits from centralized deposit account maintained by PAO/RB

iv. To ensure that the amount of debits transferred to the allottee Railways does not exceed the IRFC funds available with PAO/Rly. Bd., CRIS shall develop a ledger A/c of IRFC funds. The Ledger A/c will be credited with the amount received from IRFC and shall be debited based on Transfer Rly. debits raised by the allottee Railways against PAO/ Rly Bd. The Ledger A/c shall be visible to the Railways/PUs, Accounts Dte., PAO/RB, F(RM) Dte. and Budget Dte. The Ledger A/c shall operate under overall supervision of AC-IV branch of Accounts Dte.

v. Allottee railway wise funds allotment shall be made in the ledger as per their requirement, by Budget/ RS(B) Dte.

vi. In case the earmarked funds are found inadequate, the PU shall write to ED(RM) for necessary provisioning through Inter-Rly. adjustment or additional funds from IRFC.

(b) Cases where Purchase of IRFC funded Rolling Stock are made from Non-Rly. PSUs (Wagon Builders): -

i. The PSU will issue invoice in the name of IRFC (with IRFC GSTIN) with name of nominated Railway/PU as the payment authority. The supplies made to manufacturers (eg. Wheel & Axle etc.) by IR to such suppliers, if any, shall be treated as sale by IR and invoice will be issued by the concerned Workshop/Production Unit accordingly and tax invoice shall be issued in CRIS GST manual utility Portal. GST charged on such sales shall be part of Indian Railway's output liabilities to be set off against GST paid on items procured for

manufacturing of such products. The following accounting entries will be made while transferring the debits of cost of Rolling Stock procured from Non-Rly. PSUs/Wagon manufacturers to allottee Railways: -

Transfer Othr. Rly. (Allottee Railways)	Dr.	
Cheques & Bills		Cr.

Being adjustment of cost transferred to allottee Railways

ii. The allottee Railway will accept the debits under Deposit Misc-IRFC by contra credit to the originating Railway.

Transfer Other Railway (Procuring Rly)	Cr
Deposit Misc-IRFC	Dr

Being the adjustment of acceptance of cost transferred by procuring Rly

iii. Simultaneously, the allottee Railway shall take credit of the equivalent amount under Deposit Misc-IRFC by contra debit to Transfer Other Railway (PAO/ Railway Board), where centralized account of IRFC deposits is maintained:

Deposit Misc-IRFC	Cr
Transfer Other Railway (Northern Rly./PAO,Rly. Bd.)	Dr

Being the adjustment towards IRFC Deposits from centralized deposit account maintained by PAO/RB

(c) Cases of non-PSUs Private Manufacturers: -

i. The payment made by Railways/PUs on behalf of IRFC to the Private Suppliers towards IRFC funded Rolling Stock shall also attract TDS provision and IR shall also be required to deduct GST & TDS on purchase of IRFC funded Rolling Stock, at the time of payment.

ii. TDS Implication: Issue of GST, TDS shall be addressed as explained below:

- In such cases, invoice will be issued in name of IRFC (with IRFC GISTIN) and name of nominated Railways/PU as payment authority.
- Railway will deduct TDS and credit thereof will be availed by IRFC.
- Railway will not reflect this amount as its Tax liability.
- Invoice wise debits of the TDS deducted shall be advised to IRFC by each paying Railway to enable IRFC to file GST return and deposit TDS with their authorities accordingly.

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