

INDIAN RAILWAY FINANCE CORPORATION LTD

UG Floor, East Tower, NBCC Place,
Bhishma Pitamah Marg, Lodhi Road
New Delhi –110003

EXPRESSION OF INTEREST (EoI)

Notice Inviting Expression of Interest (EoI) for shortlisting Tax Consultant to deal with GST & other Taxation matters related to Indian Railway (IR)

The Ministry of Railways intends to hire a Tax Consultant to deal with GST & other Taxation matters related to all areas of operation at Railway Board, Zone, Division, Production Units or Maintenance facilities etc. under Indian Railway (IR).

Indian Railway Finance Corporation Ltd (IRFC), who has been entrusted the assignment to finalize Tax Consultant through EoI & RFP process, invites Expression of Interest (EoI) from reputed Tax Consultancy Firms having requisite experience in this field as detailed in the EoI uploaded on the website of IRFC (<http://irfc.nic.in/>). Hard copy of the same can be obtained from the address given below.

The EOI may be submitted in a sealed envelope through Speed Post/Registered Post or deposit in person in the Tender Box, kept at the office of the Indian Railway Finance Corporation Ltd. super scribing “Consultancy for GST related matters for Indian Railways -EoI proposal” on top of the envelope to the following address. The last date for submission at 15.00 hours on 02/06/2017.

Address:

Shri S.Radhakrishnan
Designation: Group General Manager (ECB)
Indian Railway Finance Corporation Ltd
UG Floor, East Tower,
NBCC Place,
Bhishma Pitamah Marg, Lodhi Road
New Delhi –110003
Tele : : 91-11-2436-8069

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EXPRESSION OF INTEREST (EoI)

Notice Inviting Expression of Interest (EoI) for shortlisting Consultant/ Consultancy Firms to deal with GST & other Taxation matters related to Indian Railway (IR)

1. Background

Government of India is planning to implement Goods & Service Tax (GST) w.e.f 01.07.2017. As such, GST will replace all Indirect Taxes which will necessitate to develop different Processes, Documents & Records, Accounting System, Return Filing etc. so that Indian Railway will be GST compliant. Keeping above in view, Indian Railways has formulated 4 (four) Modules out of which the 1st Module has already been finalized through tender process and the balance 3 (three) Modules will be finalized through the EoI and RFP.

2. About Indian Railways

Railways first introduced to India in 1853 from Bombay to Thane. In 1951 the systems were nationalized as one unit, the Indian Railways, becoming one of the largest networks in the world. Indian Railways is a state-owned railway, responsible for rail transport in India. It is owned and operated by the Government of India through the Ministry of Railways.

2.1. Operations of Indian Railways

The operational area covers the following:

- a) Manufacturing i.e. Rail Coach, Loco, Wagon, Wheels etc..
- b) Service like Goods Transportation, Passenger Transportation, Land Leasing, Wagon Maintenance, Track/S&T Maintenance, Renting of immovable property, Renting of space for advertisement etc.
- c) Sales i.e. Rail Coach, Loco, Wagon, Wheels, workshops etc.

3. Scope of work

Detailed scope of work is enclosed an **Annexure – 1**. A few of them are illustrated below.

3.1. PROPOSED IMPLEMENTATION SCHEDULE FOR MODULE-1, 2 & 3

No.	Title	Estimated efforts for domain consultant	Deliverable/s	Implementation Schedule
1.	Process and documentation review including contract review for GST implementation	9 man-months	GST implementation plan indicating process and documentation changes required to enable optimal input credit availment	T0+4 months
2.	GST Compliant IT Solution	8 man-months	Business requirement document Assistance in preparation of blueprint document	T1+3 months
3.	Capacity building, review of manuals and handholding for nine months from the appointed date	9 man-months	3x2 TOT workshops Responding to legal queries as and when it arises basis	T3+9 months

3.2. MODULE WISE DETAILED SCOPE OF WORK

3.2.1. MODULE 1: PROCESS AND DOCUMENTATION REVIEW INCLUDING CONTRACT REVIEW FOR GST IMPLEMENTATION

Detailed scope of work is enclosed an **Annexure – 2**. A few of them are illustrated below.

Carrying out a study of the IR's internal processes, documentation and contracts and to design a GST compliant framework to enable proper assessment and payment of tax, and maintenance of proper documents and records in respect of revenue and expenses.

The following will therefore be required:

- i) The Registration process to be followed for all units need to be studied by the consultant to arrive at the pros & cons of designating a principal office of business especially where one Zone/Division covers more than one State and vice-versa . As the GST compliance is to be done state-wise and the returns and the administrative monitoring would also be done state-wise, the registration would be required for operation in all those States and Union Territories from where the IR are effecting supplies of goods and service. Also, Therefore, study is required to be undertaken for each Zone and Division (considering they are not coterminous with states). Requirement is therefore to determine the Principal Office in the concerned State for GST compliance.
- ii) The consultant shall be required to guide Zonal Railways in operationalizing transitional provisions including transitional stock credits availability and optimization of the same. The concerned Zonal officers would be advised in group in Delhi in person or through written or electronic mode including V.C. from Delhi in association with IR.
- iii) Consultant shall study the commercial billing system, with a view to review present functionality of the system for issuing invoices, receipts, debit/credit notes for various activities; daily/periodical / monthly summary reports, and their reconciliations for suggesting changes with reference to GST regime for ensuring proper compliance.
- iv) Study of existing invoices/bills/documentations which will require changes in GST regime is a sine qua non. The consultant shall suggest the designing of formats/reports relating to the supply of goods and services and the system for collation of such reports from station level/division level and state level for proper monitoring and timely compliance under the GST law.
- v) Consultant will have to design invoices in respect of all supplies to enable the customers of IR to avail credit.
- vi) The consultant shall require studying the existing accounting systems including Char of Accounts, Accounts Code for capturing tax payable and suggesting changes, requirement of new Accounting Codes with reference to GST regime for ensuring compliance. Consultant should also keep in view the existing cash based accounting system prevalent on IR as well as the proposed Accrual Based Financial Statements.
- vii) The consultant shall be required to map allocation of Rolling Stock to Zones and within Zones to Divisions/Shops/Sheds keeping in view reducing tax liability by mapping input credit to GST outflows.

- viii) The consultant shall be required to propose remodelling of Railways Business processes to ensure credit maximization.
- ix) To undertake study and identify the credit in respect of goods and services received prior to 1.07.2017 which can be taken under the GST regime and plan and create proper architecture for timely availment of such credit in line with the relevant provisions.
- x) Undertaking study to identify such offices and take registration as ISD in respect thereof.
- xi) The consultant shall be required to assist by way of advice on how to upgrade existing records in offices to enable distribution of credit from there.
- xii) The consultant shall be required to Identify the offices from where such credit can be distributed as per law and preparation of requisite documents viz challan etc to enable flow of credit to such offices.
- xiii) The consultant shall be required to review of intra organization supplies of goods and services within the state or interstate to appreciate the implication of GST in respect of such transactions.
- xiv) The consultant shall be required to work out the modalities/instructions for processing/ obtaining refunds.
- xv) The consultant shall be required to undertake a detailed study of the major classes of contracts/invoices for various supplies of Goods and services (Civil contracts, IT up gradation/procurement Machine and plant procurement, service contracts etc) to identify transactions which provide input tax credit and suggesting methodology for availing the credit.

3.2.2. MODULE 2: GST COMPLIANT IT SOLUTION

Detailed scope of work is enclosed an **Annexure – 3**. A few of them are illustrated below.

The Consultant shall specify the business requirements for being GST compliant, and assist the IT team to create the blueprint for the IT architecture required for proper assessment and payment of tax. This shall involve creating appropriate architecture structurally and procedurally to enable IR to switch over to GST. This shall involve:

- i) Based on the impact assessment study and process/documentation review, the Consultant would propose the business requirements for the GST regime as well as

assist the IT Team to prepare the implementation architecture and blueprint document for a GST compliant IT solution for IR operations taking into account the various transactional level scenarios and work flows within the Indian Railways.

ii) The consultant shall be required to regularly interact with CRIS for bringing about required changes in the existing IT platforms and proposed systems to make them GST compliant. This will also require integration with GSTN Portal.

iii) Creation of appropriate architecture for the proper and timely uploading, of the details of supplies received by IR, on the GSTN, is essential for availment of credit. Consultant would advise on the role and function of ASP (Application Service Provider) and GSP (General Suvidha Provider) (as approved and licensed by Government of India) to port data of returns, etc on the GSTN. All uploading would be done by IR Team in consultation and guidelines of Consultants.

3.2.3. MODULE 3: CAPACITY BUILDING, REVIEW OF MANUALS AND HANDHOLDING FOR A PERIOD OF NINE MONTHS FROM THE DATE OF IMPLEMENTATION

Detailed scope of work is enclosed an **Annexure – 4**. A few of them are illustrated below.

Capacity building within the organization for handling of GST work by training staff as well as training master trainers shall have to be undertaken by the consultant. This would involve design and presentation of 3x2 TOT training programs for 3 levels of IR employees.

i) Preparation of GST Manual for the Zonal Railways/Production units.

ii) Drafting of instructions on how to ensure Audit compliance, preparation required in cases of litigation with the GST authorities.

iii) Drafting circulars to all Zones/Divisions/Pus/Railway Board Dte for entities working under IR towards operationalizing the GST regime shall be done by the consultant.

iv) Handholding by way of retainership to address queries from Indian Railways on any specific legal issues (but does not include litigation in a Court of Law) arising from the implementation of GST in IR for a period of 9 months from the date of such implementation.

3.3. Presentation of the part/entire work before higher officials of Railway, Ministry

of Finance and others as and when required. To make representation on behalf of Ministry of Railway before Ministry of Finance, if needed.

Note :- The Consultancy Firms, interested in giving suggestions for inclusion in any of the Modules of scope of work, may offer in a separate sheet for consideration after proper deliberation.

4. Eligibility /Qualifying criteria

Detailed Eligibility/Qualifying criteria is enclosed an **Annexure – 5**. A few of them are illustrated below.

4.1. Firms fulfilling following eligibility criteria will be shortlisted for RFP :

- 4.1.1.** Should be a reputed consultancy firm / tax consultancy firm having at least 15 years of experience in the area of indirect taxation.
- 4.1.2.** Firm should not have been convicted by Court of Law or indicted by regulatory authority for any grave offence against it. Should not have any investigation pending against it or against Principal Officers / Partners. (**Bidders to submit self declaration in this regard**)
- 4.1.3.** Should have offices in New Delhi and 4 (four) other metros/ major cities in India
- 4.1.4.** Firms must have lawyers and / or CA/CS/CWA
- 4.1.5.** Average Turnover of the Firm during three preceding financial years i.e. FY 2014-15, FY 2015-16 and FY 2016-17(provisional) should be atleast Rs.50 Crore per annum. (**Audited accounts for three preceding years or Certificate from CA to be provided**)
- 4.1.6.** Firm must have at least 100 professionals and 10 partners. Manpower must include IT Professionals having at least 5 years of post qualification work experience in area of indirect tax implementation
- 4.1.7.** Team leader must have experience of at least 15 years in the field indirect tax and Team should include Lawyer, CA/CS/CWA and IT Professionals
- 4.1.8.** Firm should have domain knowledge of GSTN portal for eventual GST Compliances
- 4.1.9.** Firm should have significant litigations and/or consultancy experience in the field of indirect taxation such as VAT, Excise Duty, CST, Custom Duty and Service Tax. (Experience with Indian Railways and Railway PSUs shall have additional score/weight during evaluation of RFP)
- 4.1.10.** Firm must have worked with Govt. Department / PSU in the area of indirect taxation.

4.1.11. Should have experience in imparting training in the area of indirect taxes

4.1.12. Should have adequate experience of making presentation / representation before Government Authorities like Ministry of Finance or related ministry on behalf of Customers to whom consultancy services have been provided.

5. DOCUMENTS TO BE SUBMITTED AS PART OF EOI

- 5.1 Covering letter on firm's letter head with an undertaking that information provided are true.
- 5.2 Profile of the organization
- 5.3 Details of Awards or recognition won etc if any
- 5.4 Curriculum Vitae (CV) of Senior Management (Maximum of 5 members)
- 5.5 Curriculum Vitae (CV) of proposed team leader and team members signed by the individual
- 5.6 Documents in support of fulfilling eligibility criteria.
- 5.7 Documents in support of work experience in the field of Indirect Taxation.

6. TERMS AND CONDITIONS

6.1 **Language of Eol**

The Eol, and all correspondence and documents related to Eol exchanged by the Firm/Bidder should be in English.

6.2 **Disqualification of EOIs**

The Eol submitted by agency is liable to be disqualified if

- 6.2.1 Not submitted in accordance with the Eol document
- 6.2.2 Eol received in incomplete form
- 6.2.3 Eol received after due date and time
- 6.2.4 Eol not accompanied by all requisite documents

6.3 **IRFC reserve the right to the following**

- 6.3.1 Reject any or all proposals received in response to the Eol without giving any reason whatsoever
- 6.3.2 Extend the time for submission of Eol
- 6.3.3 Modify the Eol document, by an amendment that would be published on the website

6.4 **Other terms and conditions**

- 6.4.1 The Firm must possess sufficient infrastructure including both hardware and software to handle the data of Indian Railways (IR)
- 6.4.2 The Firm shall take sufficient care for data protection measures to ensure confidentiality of data and reports.
- 6.4.3 The Firm shall undertake that the data given to Consultant by IR and any information generated from the data provided shall not be used by

the Consult Consultant for any other purposes and shall not be shared with others without consent of IR.

6.4.4 Indemnity : The Firm shall defend, indemnify and hold IR during and after the term of the contract harmless from and against any and all liabilities, damages, claims, fines, penalties, actions, proceedings and expenses of whatever nature arising and resulting from the non-compliance or violation of any Law by Consultant.

6.4.5 Jurisdiction of Courts: Any dispute arising out of or in respect of the contract will be subject to the jurisdiction of Delhi High Court only.

6.4.6 All disputes or differences, whatsoever, arising between the two parties shall be settled by arbitration at Delhi, to be ordered by Managing Director/IRFC

6.4.7 Sub-contract of the work is not permissible.

7. SUBMISSION OF EOI

7.1 EOI is to be submitted under a covering letter mentioning the details of documents submitted alongwith the bid.

7.2 Bidders should sign with Seal on all pages of Eoi documents including enclosures submitted, as a token of unconditional acceptance of Eoi terms & conditions.

7.3 Over writing/correction/erase and use of white ink should be avoided. However, if any correction is inevitable that should be authenticated with the bidder's signature & seal.

7.4 The offer should be submitted strictly as per the terms & conditions laid down in the Eoi document.

7.5 Changes in the term of bid proposal will not be permitted after submission.

7.6 Offer by forming Consortium/JV will not be considered.

7.7 The Eoi may be submitted in a sealed envelope through Speed Post/Registered Post or deposit in person in the Tender Box, kept at the office of the Indian Railway Finance Corporation Ltd. super scribing "Eoi – Tax Consultant to deal with GST & other Taxation matters related to Indian Railways(IR)" on top of the envelope to the following address. The last date for submission at 15.00 hours on 2nd June, 2017.

Shri S.Radhakrishnan

Designation: Group General Manager (ECB)

Indian Railway Finance Corporation Ltd

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New Delhi –110003

Tele : : 91-11-2436-8069

GST Implementation in Indian Railways
MODULES

No.	Title	Estimated efforts for domain consultant	Deliverable/s	Implementation Schedule
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3.	Capacity building, review of manuals and handholding for nine months from the appointed date	9 man-months	3x2 TOT workshops Responding to legal queries as and when it arises basis	T3+9 months

Assumption here is that GST would go live as on July 1, 2017. Agile model of implementation is also assumed. In particular, output of one module shall be made available for use in the other module continuously (even during the contract period).

MODULE 1: PROCESS AND DOCUMENTATION REVIEW INCLUDING CONTRACT REVIEW FOR GST IMPLEMENTATION

Carrying out a study of the IR's internal processes, documentation and contracts and to design a GST compliant framework to enable proper assessment and payment of tax, and maintenance of proper documents and records in respect of revenue and expenses. The following will therefore be required:

- i) The Registration process to be followed for all units need to be studied by the consultant to arrive at the pros & cons of designating a principal office of business especially where one Zone/Division covers more than one State and vice-versa. As the GST compliance is to be done state-wise and the returns and the administrative monitoring would also be done state-wise, the registration would be required for operation in all those States and Union Territories from where the IR are effecting supplies of goods and service. Also, Therefore, study is required to be undertaken for each Zone and Division (considering they are not coterminous with states). Requirement is therefore to determine the Principal Office in the concerned State for GST compliance.
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- iv) Study of existing invoices/bills/documentations which will require changes in GST regime is a sine qua non. The consultant shall suggest the designing of formats/reports relating to the supply of goods and services and the system for collation of such reports from station level/division level and state level for proper monitoring and timely compliance under the GST law.
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- ix) To undertake study and identify the credit in respect of goods and services received prior to 1.07.2017 which can be taken under the GST regime and plan and create proper architecture for timely availment of such credit in line with the relevant provisions.
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- xi) The consultant shall be required to assist by way of advice on how to upgrade existing records in offices to enable distribution of credit from there.
- xii) The consultant shall be required to Identify the offices from where such credit can be distributed as per law and preparation of requisite documents viz challan etc to enable flow of credit to such offices.
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- xiv) The consultant shall be required to work out the modalities/instructions for processing/obtaining refunds.
- xv) The consultant shall be required to undertake a detailed study of the major classes of contracts/invoices for various supplies of Goods and services (Civil contracts, IT up gradation/procurement Machine and plant procurement, service contracts etc) to identify transactions which provide input tax credit and suggesting methodology for availing the credit.

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- i) Based on the impact assessment study and process/documentation review, the Consultant would propose the business requirements for the GST regime as well as assist the IT Team to prepare the implementation architecture and blueprint document for a GST compliant IT solution for IR operations taking into account the various transactional level scenarios and work flows within the Indian Railways.
- ii) The consultant shall be required to regularly interact with CRIS for bringing about required changes in the existing IT platforms and proposed systems to make them GST compliant. This will also require integration with GSTN Portal.
- iii) Creation of appropriate architecture for the proper and timely uploading, of the details of supplies received by IR, on the GSTN, is essential for availment of credit. Consultant would advise on the role and function of ASP (Application Service Provider) and GSP (General Suvidha Provider) (as approved and licensed by Government of India) to port data of returns, etc on the GSTN. All uploading would be done by IR Team in consultation and guidelines of Consultants.

MODULE 3: CAPACITY BUILDING, REVIEW OF MANUALS AND HANDHOLDING FOR NINE MONTHS FROM GST IMPLEMENTATION

- i) Capacity building within the organization for handling of GST work by training staff as well as training master trainers shall have to be undertaken by the consultant. This would involve design and presentation of 3x2 TOT training programs for 3 levels of IR employees.
- ii) Preparation of GST Manual for the Zonal Railways/Production units.
- iii) Drafting of instructions on how to ensure Audit compliance, preparation required in cases of litigation with the GST authorities.
- iv) Drafting circulars to all Zones/Divisions/Pus/Railway Board Dte for entities working under IR towards operationalizing the GST regime shall be done by the consultant.
- v) Handholding by way of retainership to address queries from Indian Railways on any specific legal issues (but does not include litigation in a Court of Law) arising from the implementation of GST in IR for a period of 9 months from the date of such implementation.

Minimum eligibility criteria for the consultants to participate in the EOI process.

Indian Railway is in the process of implementation of GST across all Zonal Railways and Production Units and a Consultant has been engaged by IRFC to study GST Impact Analysis and Transition Plan. In order to take forward the other phases of implementation viz., (a) Process and documentation review including contract review for GST implementation, (b) GST compliant IT Solution, and (c) Capacity building, review of manuals and handholding for nine months from the appointment date, following minimum eligibility criteria is essential to participate in the EOI process:-

- a) Consultant Firm should be of repute and should have a practice of at least 15 years in the area of Indirect taxation;
- b) Should have offices in New Delhi and at least 4 other metros/major cities in India.
- c) Consultant Firm should be firms of Lawyers and / or CA/CS/ICWA. The average turnover of the firm during the preceding three financial years FY 2014-15, FY 2015-16 and FY 2016-17 (provisional) should be at least Rs. 50 crore per annum and above (to be evidenced by way of a certificate from a CA or the audited Financial Statements).
- d) Consultant Firm should have at least 100 professionals and 10 Partners and their manpower must include IT Professional having 5-10 years of post qualification experience in the area of implementation of indirect tax. While the lead team member should possess at least 15 years experience in the field of Indirect Tax implementation;
- e) Consultant should have domain knowledge of the GSTN portal for eventual GST Compliances;
- f) Consultant Firm should have significant litigations and/or consultancy experience in the field of Indirect Taxation such as VAT, Excise Duty, Customs Duty and Service Tax. Experience with Indian Railways or Railway PSU shall have a preference.
- g) The firm should have worked with Government Department/PSU.
- h) The Firm should preferably have experience in imparting training in the area of Indirect Taxes.
- i) Consultant should possess adequate experiences in making representations on behalf of Ministry of Railways to Ministry of Finance on the GST matters and also make necessary presentation to higher officials in Ministry of Finance as and when required;
- j) Should not have been convicted by a Court of Law or indicted by a regulatory authority for a grave offence against it. Should not have any investigation pending against it or against the Principal Officers/Partners

Credentials on the above criteria should be supported by documents.

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