

AIR INDIA LIMITED
REVENUE MANAGEMENT AND MARKETING AUTOMATION

Ref No HCD /8R/

Date: 20th of July 2017

CIRCULAR NO 2916
GST Notification No 5

Introduction of Good and Services Tax (GST) - Single Interim Code K3
Effective 1st of July 2017
Both Domestic and International

UPDATED AS ON 20TH JULY 2017

This Notification supersedes the earlier communication - GST Notification 2 and GST Notification No 3 dated 28th of June 2017 and Update Released on 8th July 2017. Modifications / Additions highlighted in blue font

SALIENT FEATURES

- GST a destination based tax on consumption of goods and services has already been implemented and is applicable on all tickets and EMDs issued on/after 1st July 2017. The GST rates are as follows :
 - 5% for transport of passengers by air in economy class, domestic and international
 - 12% for transport of passengers by air in other than economy class, domestic and international
- GST values are being shown separately on the Tickets and EMD's under the code of **K3** and the tax is being collected at the point of sale. K3 an interim code is issued by IATA - TTBS to assist the airlines in levying the appropriate amount of GST.
- GST is applicable for all journeys / flights originating ex-India (International) and within India (Domestic), including the return journey printed on the ticket, irrespective of the place of issuance. Wherever codes XP, OD, DV etc have been collected and denoted on the ticket, GST would also be applicable. The tax is applicable for the entire journey of the ticket as was also the case under service tax
- Codes XP, OD and DV are being used for :

XP	a) Handling fee in Agent issued discounted tickets b) Handling charge levied per ticket was collected under XP c) In SOL tickets when STF is collected during online portal (not applicable for auto pricing) d) Rebooking fee in some stations
OD	Rebooking fee/ Penalty fee for reissuance of ticket.
DV	Star Award Redemption coupon fee collected for redemption tickets issued on Star Partner flights.

- For wholly domestic travel – class of first sector dictates the rate application on base fare plus YR plus any other Airline charge collected under XP + DV +OD etc on the entire journey (as was the case under service tax). (YQ excluded as merged with base fare in domestic).

Examples

BOM (Y) DEL (J) BOM	-- GST rate 5%
AMD(Y) BOM(J) DEL	-- GST rate 5%
BOM (J) AMD (Y) DEL (Y) LKO	-- GST rate 12%
BOM (J) DEL(Y) LKO (J) DEL(Y)BOM	-- GST rate 12%
AMD (J) BOM (Y) DEL (J) BOM (Y) AMD	-- GST rate 12%

- For wholly international travel – originating from India, with domestic leg(s) class of first international sector dictates the rate application on entire fare plus YQ plus YR plus any other Airline charge collected under XP +DV +OD on the entire journey.

Examples

AMD (Y) DEL (J) LON	-- GST rate 12%
BOM (J) DEL (Y) LON (J) NYC	-- GST rate 5%
PNQ (Y) BOM (J) EWR (J) BOM (Y) PNQ	-- GST rate 12%
BOM (J) EWR (Y) BOM	-- GST rate 12%
NYC-DEL-LON	-- No GST
NYC-LON-DEL-BOM-LON-NYC	-- No GST
LON-BOM-DEL-BOM-LON	-- No GST
GAU-CCU-DEL (origin NE sector)	-- No GST
GAU-CCU-BOM-EWR (origin NE Sector)	-- No GST

GST is not applicable on journeys originating from international cities, irrespective of the point of sale being India.

- ~~For mixed class journeys (e.g. one leg of the journey is in the economy cabin, and a second leg of journey is in first class) the rate applicable to the first leg of journey should be taken as the rate applicable for the whole journey. (Decision taken by IATA)~~
- No re-pricing is required for tickets sold before 1 July 2017 and flown on or after 1 July 2017.
- GST is not to be collected on ancillary revenue generated on tickets originating outside India.
- All Foreign and Indian Stations issuing EMD's for journeys within/ originating India to collect the applicable GST, only if the in-connection/original ticket had GST applicability on it.
- GST is not interlineable

- 4 SSR Codes GSTN, GSTA, GSTP and GSTE are to be updated in the PNR, in the desired format, only for the passengers who wish to claim input tax credit on the GST paid. Please Note: It is not compulsory to solicit GST details from all the passengers.
 - GSTN – Goods and Services Tax Number
 - GSTA – Goods and Services Tax Business Address
 - GSTP – Goods and Services Tax Business Phone Number(s)
 - GSTE – Goods and Services Tax Business Email
(Where the Invoice would be sent)

GST details must be entered in the PNR before the travel date.

- For Travel Agents - For issuance of proper tax invoice by Air India, Travel Agents are to ensure that GSTIN, name of GSTIN Customer and e-mail address of the Corporate or Business Entity for whom the booking has been made is correctly mentioned at the time of booking.
- For Corporates and Business Entities holding GSTIN -For issuance of proper tax invoice by Air India, Corporates and Business Entities to ensure that GSTIN, name of GSTIN Customer and e-mail address is correctly mentioned at the time of booking, whether made directly by Corporate or through a travel agent. Corporates are requested to provide the data on weekly basis on our website on the basis of which Invoice will be raised on them on Fortnightly/Monthly Basis. Data pertaining to the last date should be uploaded within 4 days from the last date .e.g. 31st July 2017 to be uploaded by 4th August 2017.
- GST registration for passengers is available on Air India website <http://www.airindia.in/GST-Registration.htm>
- Ancillary fees have been reckoned as composite supplies, i.e. in the same manner and with the same rates as the cabin of the underlying provision of the passenger air transport service as they are inherent to the transport of passengers by air and not a separate service.
- PAN details are to be mandatorily furnished at the time of booking :
 - for tickets issued in cash for more than Rs 50,000 and
 - any ticket which is more than Rs 2,00,000 by any payment method.
- Tickets which have been issued on or before 30th June 2017 and cancelled/refund requested by passenger before 1st July 2017 should be refunded by 31st July 2017 so that necessary Input credit for JN Tax can be taken by 15th August 2017 which is the extended date of filing the return for JN Tax.

- Updated CAR on refunds is effective 1st of August 2016 ([http://dgca.nic.in/cars/D3M-M2\(R1\).pdf](http://dgca.nic.in/cars/D3M-M2(R1).pdf)) Applicable penalties to be recovered from the Basic Fare and Fuel Charge only. Situations where the applicable Penalties are higher than the Basic Fare and Fuel Charge, only the Basic Fare and Fuel charge will be forfeited. All Statutory Taxes including applicable GST and other charges such as UDF / ADF / PSF to be refunded in full.
- Air India has been levying a flat amount per departure on all domestic flights (other than exempted flights) towards the Regional Connectivity Fund / Corpus. The levy is being undertaken as "YR" Code (since TTBS, ATPCO and SITA have expressed their inability to file Carrier specific imposed taxes). At the time of cancellation of ticket – levy collected against the code "YR" to continue to be refunded to the passenger. (as being done during service tax).
- Against " Non-Refundable" Tickets, only Basic Fare and Fuel charge to be forfeited. Statutory Taxes including GST and other Non-Airline charges are Refundable.

IMPORTANT

- GST, wherever applicable, on penalties such as rebooking fee, Cancellation penalty, no show charges, upgrade etc. as well as on certain ancillary services, to be charged and shown separately as K3 .
- GST is refundable during refund.
- Unlike service tax, to note embarkation for transport of passenger by air made from Jammu and Kashmir is now taxable at 5% or 12% GST depending upon the class of travel.

An excel sheet prepared by Finance Headquarters is also appended citing examples on GST. Revert from the stations

Mohit Sain

Mohit Sain

DGM – Revenue Management
For ED – Revenue Management

cc : EA to CD / DF
cc: ED- S and M / ED-Finance
cc : OSD to CMD / EA to CMD.
cc : Office of CVO
cc: Chairman BAR India (Air India)
cc : Finance / Commercial / IT Teams
cc: Regional GMs. / Regional Managers
cc: Taxation Team, Air India – Finance
cc: Yatrik Finance Team – Inputs included
cc: Reservation Managers.

REISSUANCE, NO SHOW AND REFUND CHARGES

Sr No.	Scenarios of Tickets	Original Issue in Service Tax Regime tickets issued prior to 1 st July 2017	Original Issue In GST Regime tickets issued on or after 1 st of July 2017	GST Rate
1	<p>Re-issuance for Collection of Date Change Fee for First Class Business Class and Economy Class</p>	<p>On tickets issued prior to 1st July 2017 for reissues on fully unutilized tickets and partially utilized tickets having Service Tax (JN), Krishi Kalyan Cess (G1) and Swacch Bharat Tax (F2) -- JN would be adjusted as applicable.</p> <p>GST would be is applicable on the collection of difference in base fare / charge YQ+YR+XP+DV +OD, if any for the new flight and on the reissuance for collection of date change fee.</p>	<p>On tickets issued on or after 1st of July 2017 for reissues on fully unutilized tickets and partially utilised tickets GST (K3) would be applicable on the collection of difference in base fare / charge +YQ+YR+XP+DV+OD, if any for the new flight <u>and</u> on the reissuance for collection of date change fee.</p> <p>GST would be is applicable for all journeys / flights on all reissue tickets provided the in- connection/ original ticket has GST applicability on it. Thus a ticket reissued for journey outside India will still be subject to GST if the inconnection / original ticket has GST applicability on it.</p>	<p>12% GST applicable in First and Business Class on Total ADC. (Difference in Base fare +YQ+YR+XP+DV+OD) <u>and</u> on the reissuance for collection of date change fee. During reissuance in mixed class, if higher class becomes applicable GST of 12% to be charged for the entire journey (Refer c and d)</p> <p>5% GST applicable in Economy Class on Total ADC (Difference in Base fare +YQ+YR+XP+DV+OD) <u>and</u> on the reissuance for collection of date change fee.</p> <p>a) If original ticket has 5% GST and there is no change in class then it will remain at 5% GST</p> <p>b) If Original ticket has 12 % GST then it will prevail.</p> <p>c) If original ticket of wholly domestic travel has 5% GST and if there is a change in first domestic sector to a</p>

			-06-	<p>higher and different cabin class (Y to J or Y to F) then it will be 12% GST for the entire journey.</p> <p>d) If original ticket where the class of first international sector has 5% GST (originating from India, with domestic legs) and if there is a change to a higher and different cabin class (Y to J or Y to F) then it will be 12% GST for the entire journey.</p> <p>For GST exemptions (Refer to last para in the Circular)</p>
Sr No.	Scenarios of Tickets	Original Issue in Service Tax Regime tickets issued prior to 1 st July 2017	Original Issue In GST Regime tickets issued on or after 1 st of July 2017	GST Rate
2	Re-issuance / for collection of No show fees for First Class Business Class and Economy Class	<p>On tickets issued prior to 1st July 2017 for reissues on fully unutilized tickets and partially utilized tickets having Service Tax (JN), Krishi Kalyan Cess (G1) and Swacch Bharat Tax (F2) -- JN would be adjusted as applicable.</p> <p>GST is applicable on the collection of difference in base fare / charge +YQ+YR+XP+DV+OD if any for the new flight and on the reissuance no show / collection of date change fee</p>	<p>On tickets issued on or after 1st of July 2017 for reissues on fully unutilized tickets and partially utilised tickets having GST (K3) would be applicable on the collection of difference in Base fare / charge, +YQ+YR+XP +DV+OD if any for the new flight and on the reissuance no show / collection of date change fee</p>	<p>12% GST applicable in First and Business Class on Total ADC (Difference in Base fare +YQ+YR+XP+DV+OD) OD if any for the new flight and on the reissuance no show / collection of date change fee During reissuance in mixed class, if higher class becomes applicable GST of 12% to be charged for the entire journey (Refer c and d)</p>

			<p>-07-</p> <p>GST is applicable for all journeys / flights on all reissue tickets provided the in- connection/ original ticket has GST applicability on it. Thus a ticket reissued for journey outside India will still be subject to GST if the inconnection / original ticket has GST applicability on it.</p>	<p>5% GST applicable in Economy Class on Total ADC (Difference in Base fare YQ+YR+XP+DV+OD) if any for the new flight and on the reissuance no show / collection of date change fee</p> <p>a) If original ticket has 5% GST and there is no change in class then it will remain at 5% GST</p> <p>b) If Original ticket has 12 % GST then it will prevail.</p> <p>c) If original ticket of wholly domestic travel has 5% GST and if there is a change in first domestic sector to a higher and different cabin class (Y to J or Y to F) then it will be 12% GST for the entire journey.</p> <p>d) If original ticket where the class of first international sector has 5% GST (originating from India, with domestic legs) and if there is a change to a higher and different cabin class (Y to J or Y to F) then it will be 12% GST for the entire journey.</p> <p>For GST exemptions (Refer to last para in the Circular)</p>
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Sr No.	Scenarios of Tickets	Original Issue in Service Tax Regime tickets issued prior to 1 st July 2017	Original Issue In GST Regime tickets issued on or after 1 st of July 2017	GST Rate
3	No Show condition where passenger has reached the Airport- Air India is offering a rollover facility to next available flight.	<p>GST applicable and to be calculated on the rollover amount to the next flight plus applicable fare difference (based on the class of travel).</p> <p>No show charge is waived, in such cases.</p>	<p>GST to be calculated on the rollover amount to the next flight plus applicable fare difference, (based on the class of travel). No show charge is waived, in such cases.</p> <p>GST is applicable for all journeys / flights on all reissue tickets provided the in- connection/ original ticket has GST applicability on it. Thus a ticket reissued for journey outside India will still be subject to GST if the inconnection / original ticket has GST applicability on it.</p>	<p>12% GST applicable in First and Business Class on Total ADC. (Difference in Base fare +YQ+YR+XP+DV+OD plus Rollover Amount)</p> <p>5% GST applicable in Economy Class on Total ADC. (Difference in Base fare +YQ+YR+XP+DV+OD plus Rollover Amount)</p>
4	Refunds:	<p>On Tickets issued prior to 1st July 2017 Service Tax (JN), Krishi Kalyan Cess (G1) and Swacch Bharat Tax (F2) of the original issued ticket to be refunded.</p> <p>Cancellation charge and other applicable penalties (including no-show) will attract GST during refund, wherever the processing is being undertaken after 1st of July 2017.</p>	<p>During refund of tickets issued on or after 1st of July 2017, GST tax of the original issued ticket will be refunded.</p> <p>Cancellation charge and other applicable penalties (including no show) will attract GST during refund.</p>	<p>12% GST of Cancellation penalty applicable in First and Business Class tickets.</p> <p>5% GST of Cancellation penalty applicable in Economy Class tickets.</p> <p>GST would be applicable on cancellation penalties and no show charges provided the Original ticket that is being refunded has GST applicability on it.</p>

	Refunds:	<p>Applicable penalties to be recovered from the Basic Fare and Fuel Charge only. Situations where the applicable Penalties are higher than the Basic Fare and Fuel Charge, only the Basic Fare and Fuel charge will be forfeited. All Statutory Taxes including applicable GST and other charges such as UDF / ADF / PSF to be refunded in full.</p> <p>Against "Non-Refundable" Tickets, only Basic Fare and Fuel charge to be forfeited. Statutory Taxes (including Service Tax) and other Non-Airline charges are Refundable.</p>	<p>-09-</p> <p>Applicable penalties to be recovered from the Basic Fare and Fuel Charge only. Situations where the applicable Penalties are higher than the Basic Fare and Fuel Charge, only the Basic Fare and Fuel charge will be forfeited. All Statutory Taxes including applicable GST and other charges such as UDF / ADF / PSF to be refunded in full.</p> <p>Against "Non-Refundable" Tickets, only Basic Fare and Fuel charge to be forfeited. Statutory Taxes including GST and other Non-Airline charges are Refundable.</p>	<p>GST would be applicable on Voiding Charges i.e. 12% GST applicable in First / Business Class tickets and 5% GST of Cancellation penalty applicable in Economy Class tickets For refund where the base fare and YQ are being forfeited GST would not be applicable (as no additional charge have been collected for cancellation other than the forfeiture).</p> <p>For GST exemptions (Refer to last para in the Circular)</p>
Sr No.	Scenarios of Tickets	Original Issue in Service Tax Regime tickets issued prior to 1st July 2017	Original Issue In GST Regime tickets issued on or after 1st of July 2017	GST Rate
5	Involuntary Downgrade Refund of difference	<p>On Tickets issued prior to 1st July 2017 difference in the base fare and Service Tax (JN), KrishiKalyan Cess (G1) and Swacch Bharat Tax (F2) i.e. between F to J or J to Y to be refunded.</p> <p>Additional GST would not be applicable.</p>	<p>On Tickets issued on or after 1st July 2017 applicable difference in the base fare and GST i.e. between F to J or J to Y to be refunded.</p> <p>Additional GST would not be applicable</p>	GST is Not Applicable
6	Reissuance on flight disruption	GST is not to be charged as there is no additional collection	GST is not to be charged as there is no additional collection	GST is Not Applicable

APPLICABILITY ON EMDS

S.No	Type of EMD	Stand alone (S) or Associated with the ticket (A)	RFISC (Reference number)	Description of EMD	GST Rate
1	Capping advance	S	D997	EMD is issued as a receipt for the standing deposit made by the agents. No ticket should be issued against this advance	NA Same is refunded on fulfilment of the commitment
2	Under collection of taxes, fee, airline based taxes, etc.	S	D998	EMD is issued if such taxes are missed to be collected or short collected at the time of booking For short collection of YQ,YR, XP, DV, OD	GST is not applicable GST will be applicable for YQ,YR,XP,DV,OD. Composite supply. (GST applicability will depend on whether GST was applicable on the in connection ticket)
3	Group Deposit	S	D0L6	Advances Collected for future travel from Agents, private companies. The deposit will be refunded totally without any deductions No ticket should be issued against this advance	Any shortfall due to materialisation criteria not being met and GST at the rate of 18% , to be collected separately through cheque and SAP receipt would be issued Advance will be refunded only after realisation of the Cheque

S.No	Type of EMD	Stand alone (S) or Associate d with the ticket (A)	RFISC (Reference number)	Description of EMD	GST Rate
4	Upgrade charges	A	A0BJ	<p>GST Charges to be collected against the upgrade amount for the upgraded journey both for</p> <p>a) Business Class to First Class</p> <p>b) Economy Class to Business Class.</p> <p>Any new amount collected on account this charge by way of EMD should have original Ticket No</p>	12% charge applicable First and Business Class
5	Paid Lounge access	S	EOBX	Revenue generated on account of providing lounge access to its customer	18%
6	Preferred Seats	A	A0B5	EMD issued for preferred seats	5% of on applicable charge for applicable Economy Class
7	Pet in hold	A	C0BS Stands withdrawn	Being transported in cargo hold through an Air Way Bill	18%
8	Pet in cabin	A	COMN	Charges collected for allowing passenger to carry pet in the aircraft	5% on applicable charge for Economy Class

S.No	Type of EMD	Stand alone (S) or Associated with the ticket (A)	RFISC (Reference number)	Description of EMD	GST Rate
9	Pre-paid excess baggage/ Excess baggage at the counter	A	C0IF/ COCW/ COCW/ COC1/ COC2/ COIK/ COIJ	Amount collected where the passengers wish to carry baggage in excess of the baggage limit provided by the airlines under the base fare at the time of booking the ticket or at the time of counter at the airport	12% on applicable charge for applicable First, and Business Class 5% on applicable charge for applicable Economy Class
10	Sporting Equipment	A	C0F8	Amount collected where the passengers wish to carry sports baggage which is not provided by the airlines under the base fare. The same is treated as excess baggage and applicable when the passenger is travelling in person.	12% on applicable charge for applicable First, and Business Class 5% on applicable charge for applicable Economy Class
11	Date Change Warranty	S	DO3R	Advance payment is made towards switching over by the same passenger to another flight on the same day of travel and on the same sector. GST rate will depend on class of travel of passenger	12% on applicable charge for applicable First, and Business Class 5% on applicable charge for applicable Economy Class

Miscellaneous

- A. GST Rate on ADM Fee would be 18%
- B. GST would be applicable at 18% for Travel Certificate
- C. Fare Rules are being modified in respect of GST.

CAT 16

Existing text:

Domestic - "ABOVE CHARGES ARE INCLUSIVE OF SERVICE TAX"

International – "CHARGES ARE NON-COMMISSIONABLE AND INCLUSIVE OF SERVICE TAX".

New text for both Domestic and International fares ex-India:

"CHARGES ARE NON-COMMISSIONABLE. APPLICABLE GST WILL BE ADDITIONAL"

- D. Amendments in the ARR application are also in progress

Exemptions

- GST is **not applicable** for all journeys / flights originating outside India including the return journey printed on the ticket, irrespective of the place of issuance. (Return journey is not deemed as separate journey for flights originating outside India).
- GST is **not applicable for**
 - Services provided to United Nations or a specified international organization.
 - ~~Embarkations from the State of Jammu & Kashmir i.e. airports Jammu, Srinagar and Leh~~
 - For passengers embarking on a journey originating or terminating in an airport located in the state of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura or Bagdogra in West Bengal. The exemption therefore applies to/from the following airports: Dibrugarh, Guwahati, Jorhat, Lilabari, Silchar, Tezpur, Imphal, Shillong, Aizawl, Dimapur, Agartala and Bagdogra . However this exemption will not apply to passengers using the above airports only as transfer points