

Corrigendum No.3 to Rates Circular No. 29 of 2012

भारत सरकार(GOVERNMENT OF INDIA)

रेल मंत्रालय(MINISTRY OF RAILWAYS)

रेलवे बोर्ड (RAILWAY BOARD)

No. TCR/1078/2015/15

New Delhi, dated: 27.05.2015

**General Managers,
All Indian Railways.**

Sub: Levy of Service Tax on Transportation of Goods by Rail

Ref: Board's Rates Circular/Corrigendum/Letters listed below:

- (i) Rates Circular No. 29 of 2012 & its Corrigendum dated 28.03.2013 and dated 31.03.2015;
- (ii) Letter No. TCR/1078/2011/2 dated 05.10.2012 and 08.10.2012;
- (iii) Rates Circular No. 27 of 2014;
- (iv) Letter No. TCR/1078/2012/24 dated 23.04.2013; and
- (v) Letter No. TC-I/2012/214/2 dated 14.11.2014.

**Finance Act, 2015 dated 14.05.2015; and
Ministry of Finance Notification No. 14 of 2015-Service Tax
dated 19.05.2015.**

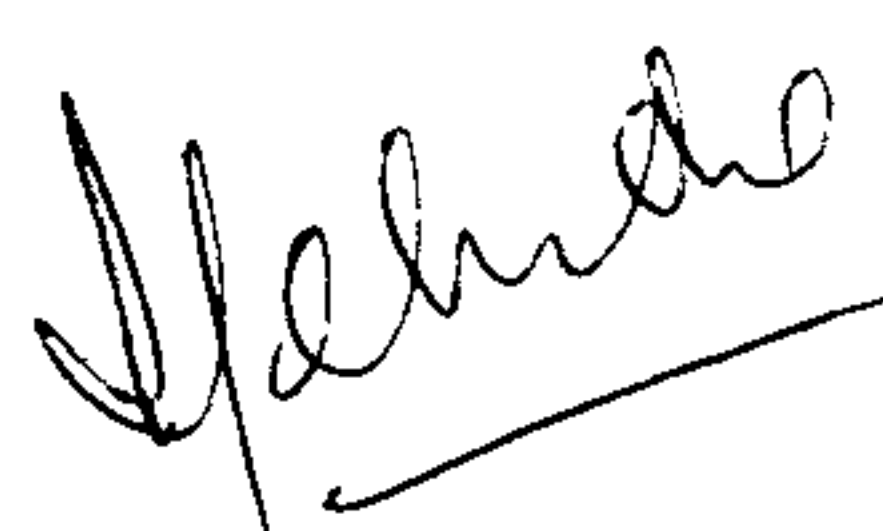

Ministry of Finance vide Gazette Notification No. 14 of 2015-Service Tax dated 19.05.2015 has decided that *the rate of Service Tax is being increased from "12%" to "14% (including cesses)". The increase in Service Tax rate will come into effect from 1st June 2015.*

In view of the above, following changes shall be made, with effect from 01.06.2015, in Rates Circular No. 29 of 2012:

- (i) The rates of Service Tax wherever mentioned as 12% in Rates Circular No. 29 of 2012 shall be read as "14% (including cesses)";
- (ii) Service Tax of 14% is chargeable on 30% of freight (equivalent to 4.2% on the total freight). The figure of "3.708 %" wherever mentioned in Rates Circular No. 29 of 2012 shall now be read as "4.2%"; and
- (iii) The education cess of 2% on Service Tax and higher education cess of 1% on Service Tax appearing in Para 2 of Rates Circular No. 29 of 2012 shall stand deleted.

The total Service Tax implication will be 4.2% of the total freight.

Illustrations for working out the Service Tax are attached as Illustration-A & B.

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All other details contained in above referred Board's Rates Circulars/ Corrigendum/ letters shall continue to apply unchanged.

This issues in consultation with Taxation Directorate and with the concurrence of the Finance Directorate of the Ministry of Railways.



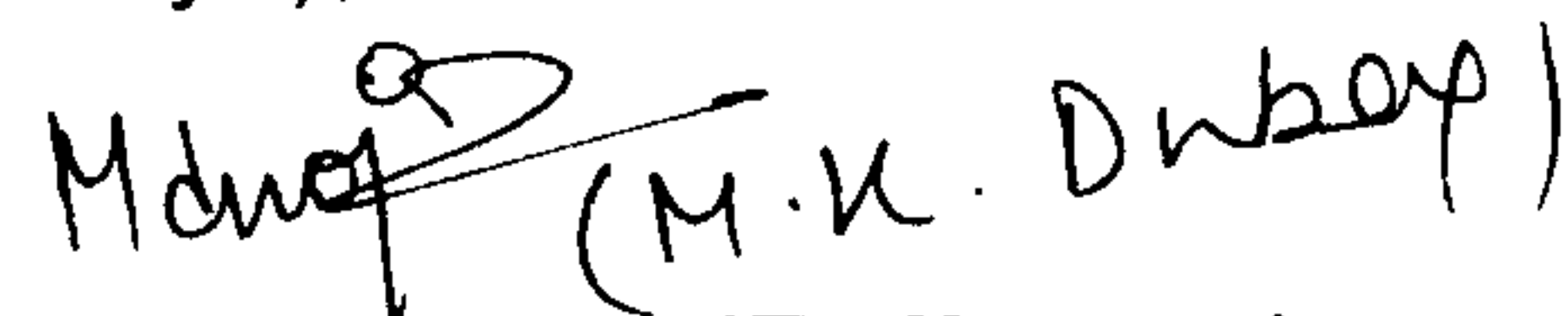
(Aashima Mehrotra)
Director, Traffic Commercial (Rates)
Railway Board

No. TCR/1078/2015/15

New Delhi, dated: 27.05.2015

Copy for information: -

1. FA & CAOs, All Indian Railways.
2. Deputy Comptroller and Auditor General of India (Railways), New Delhi.



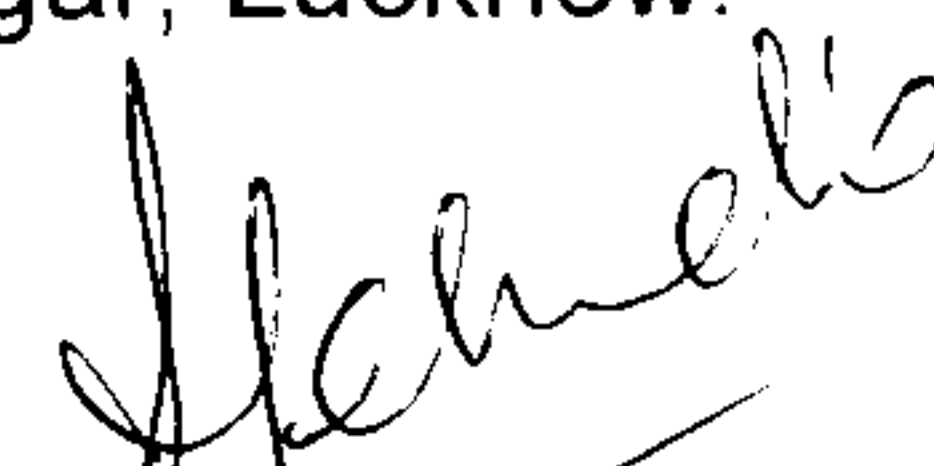
For Financial Commissioner (Railways)

No. TCR/1078/2015/15

New Delhi, dated: 27.05.2015

Copy to:-

1. Chief Commercial Managers, All Indian Railways.
2. Chief Operating Managers, All Indian Railways.
3. Managing Director, CRIS, Chanakya Puri, New Delhi-23.
4. The Chief Administrative Officer, FOIS, Northern Railway, Camp: CRIS, Chanakya Puri, New Delhi-23.
5. Managing Director, Konkan Railway Corporation, Belapur Bhavan, Sector- 11, CBD Belapur, New Mumbai-400614.
6. Director General, National Academy of Indian Railways, Vadodara.
7. Director, Institute of Rail Transport Management (IRITEM), Manaknagar, Lucknow.
8. GS/IRCA, New Delhi: for necessary action.



(Aashima Mehrotra)
Director, Traffic Commercial (Rates)
Railway Board

Copy to: -

OSD to MT for kind information of MT
PPS to: AM(C), AM(T),
Adv(F), Adv(FM), Adv(TTM)
EDTC(R), EDF(C), EDTT(F), EDTT(S), EDME(Frt.), EDCE(P), EDVT, ED/AIMS&AR,
DTT(G), DF(C), DME(Frt.), D(FM), DDF(C),
TC(CR), TC-I, TC(FM), TT-I, TT-II, TT-III, TT-IV, TT-V, CE-II, F(C), Stat-II, Stat(CA), Stat-V,
Stat(Econ), Economic Cell and Budget Branches of Railway Board.

Corrigendum No.03 to Rates Circular No. 29 of 2012



Illustration -A:

a	Distance	Kms	650
b	Wagon		BCNA
c	PCC of Wagon	Tonne	66
d	Rake Length	Wagons	42
e	Commodity		Cement
f	Class T/L		140
1	Freight per Tonne	₹	868.40
2	Busy Season Surcharge @ 15% = (1*15%) \$	₹	130.26
3	Normal Tariff Rate (NTR) = (1+2)	₹	998.66
4	Less Freight rebate for Traditional empty flow direction @ 20% on NTR = (3*20%) \$	₹	199.73
5	Freight per Tonne for Traditional empty flow direction= (3-4)	₹	798.93
6	Development Charge @5% = (3*5%)	₹	49.93
7	Total Freight = (3+6)	₹	1048.59
8	Total Freight per rake = (7*d*c)	₹	2906691.48
9	Freight per tonne after concessions = (5+6)	₹	848.86
10	Freight per rake after concessions = (9*d*c)	₹	2353039.92
11	Rounded off Freight per rake after concessions	₹	2353040.00
12	Add Service Tax @4.2% on Total Freight (11 * 4.2%)	₹	98827.68
13	Rounded off Service Tax	₹	98828.00
14	Total Rounded off Freight to be collected from one rake = (11+13)	₹	2451868.00

Note: - \$ Wherever applicable.

Note: - Chargeable Freight is rounded off to the next higher rupee as per Para 10.0 of Guiding Principles for Classification & General Rules for Charging of Freight, published in IRCA Goods Tariff No. 48 Part I (Vol. II) & Part II.

Service Tax shall be rounded off to the nearest rupee as per Ministry of Finance circular No.ST-53/2/2003 dated 27.3.2003.

Corrigendum No.03 to Rates Circular No. 29 of 2012

Illustration-B:

a	Distance	Kms	650
b	Wagon		BCNA
c	PCC of Wagon	Tonne	66
d	Rake Length	Wagons	42
e	Commodity		Cement
f	Class T/L		140
1	Base Freight per Tonne	₹	868.40
2	Freight rebate under LWIS - @15% (Special Purpose Wagons) on Base Freight= (1*10%) \$	₹	130.26
3	Busy Season Surcharge @15% on Base Freight = (1*15%) \$	₹	130.26
4	Normal Tariff Rate (NTR) per Tonne (1+3)	₹	998.66
5	Normal Tariff Rate (NTR) per Rake=(4*42*66)	₹	2768285.52
6	Development Charge@5% = (4*5%)	₹	49.93
7	Total Freight = (4+6)	₹	1048.59
8	Total Freight per rake = (7*d*c)	₹	2906691.48
9	Freight rebate under LWIS Scheme = (2*d*c)	₹	361080.72
10	Freight per rake after rebate = (8-9)	₹	2545610.76
11	Rounded off Freight per rake after rebate		2545611.00
12	Add Service Tax @ 4.2% on Total Freight (11 * 4.2%)	₹	106915.662
13	Rounded off Service Tax	₹	106916.00
14	Total Rounded off Freight to be collected from one rake = (11+13)	₹	2652527.00

Note: - \$ Wherever applicable.

Note: - Chargeable Freight is rounded off to the next higher rupee as per Para 10.0 of Guiding Principles for Classification & General Rules for Charging of Freight, published in IRCA Goods Tariff No. 48 Part I (Vol. II) & Part II.

Service Tax shall be rounded off to the nearest rupee as per Ministry of Finance circular No.ST-53/2/2003 dated 27.3.2003.