

**5**  
**Corrigendum No. 5 to Rates Circular No. 29 of 2012**

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

No.TCR/1078/2015/15

New Delhi, dated: 12.11.2015

**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 and its Corrigendum dated 28.03.2013; dated 31.03.2015 & dated 27.05.2015;
- (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
- (vi) Finance Act, 2015 dated 14.05.2015; and Ministry of Finance, Notification No. 21&22/2015-Service Tax dated 06.11.2015.

Ministry of Finance vide Gazette Notification No. 21&22/2015-Service Tax dated 06.11.2015 has decided that Swachh Bharat Cess @0.5% to be levied on the value of all taxable services with effect from 15.11.2015.

In view of the above, following changes shall be made, with effect from 15.11.2015, in Rates Circular No. 29 of 2012:

- (i) The rates of Service Tax wherever mentioned as "14%" in Corrigendum No. 3 to Rates Circular No. 29 of 2012 shall be read as "Service Tax 14% and Swachh Bharat Cess 0.5% of total value of Services".
- (ii) Service Tax of 14% and Swachh Bharat Cess of 0.5% are chargeable on 30% of freight (equivalent to 4.35% on the total freight). The figure "4.2%" wherever mentioned in Corrigendum No. 3 to Rates Circular No. 29 of 2012 shall now be read as "4.35%".

The total Service Tax implication will be 4.35% of the total freight.

Illustrations for working out the Service Tax (including Swachh Bharat Cess) are attached as Illustrations- A & B.

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

This issues with the concurrence of Finance Directorate of Ministry of Railways.

(Lata Kumari)  
Director, Traffic Commercial (Rates)  
(Railway Board)

**Corrigendum No. 5 to Rates Circular No. 29 of 2012**

No.TCR/1078/2015/15

New Delhi, dated: 12.11.2015

Copy for information and necessary action to:-

1. FA & CAOs, All Indian Railways
2. Dy.C&AG (Rlys.), Room No.222, Rail Bhavan, New Delhi.



**for Financial Commissioner (Railways)**

No.TCR/1078/2015/15

New Delhi, dated: 12.11.2015

Copy to:-

1. CCMs, All Indian Railways.
2. COMs, 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, Indian Railways Institute of Transport Management, Campus: Hardoi Bye Pass Road, Village & Post office: Kanausi, Manaknagar, Lucknow.
8. GS/IRCA, New Delhi.
9. Secretary, Railway Rates Tribunal, 5, P.V. Cherian Road, Crecent Road, Egmore, Chennai- 600105



**(Lata Kumari)**  
**Director, Traffic Commercial (Rates)**  
**(Railway Board)**

Copy to:

OSD to MT  
PPS to: AM(C), AM(T), AM (Vig), ADVTT(M)  
EDTT(F), EDF(C)  
DF(C), DFM  
TC(CR),TC-I, TC(FM),TT-I,TT-II, TT-III, TT-IV, TT-V, F(C), Stat-II, Stat(CA),  
Stat-V, Stat(Econ), Economic Cell and Budget Branches of Railway Board.

**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	<b>Normal Tariff Rate (NTR) = (1+2)</b>	₹	<b>998.66</b>
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	<b>Total Freight = (3+6)</b>	₹	<b>1048.59</b>
8	<b>Total Freight per rake = (7*d*c)</b>	₹	<b>2906691.48</b>
9	Freight per tonne after concessions = (5+6)	₹	848.86
10	<b>Freight per rake after concessions = (9*d*c)</b>	₹	<b>2353039.92</b>
11	<b>Rounded off Freight per rake after concessions</b>	₹	<b>2353040.00</b>
12	Add Service Tax (including Swachh Bharat Cess) @4.35% on Total Freight (11 * 4.35%)	₹	102357.24
13	<b>Rounded off Service Tax</b>	₹	<b>102357.00</b>
14	<b>Total Rounded off Freight to be collected from one rake = (11+13)</b>	₹	<b>2455397.00</b>

**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. <sup>5</sup> 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	<b>Normal Tariff Rate (NTR) per Tonne (1+3)</b>	₹	<b>998.66</b>
5	Normal Tariff Rate (NTR) per Rake=(4*42*66)	₹	<b>2768285.52</b>
6	Development Charge@5% = (4*5%)	₹	49.93
7	<b>Total Freight = (4+6)</b>	₹	<b>1048.59</b>
8	<b>Total Freight per rake = (7*d*c)</b>	₹	<b>2906691.48</b>
9	<b>Freight rebate under LWIS Scheme = (2*d*c)</b>	₹	<b>361080.72</b>
10	<b>Freight per rake after rebate = (8-9)</b>	₹	<b>2545610.76</b>
11	<b>Rounded off Freight per rake after rebate</b>	₹	<b>2545611.00</b>
12	Add Service Tax (including Swachh Bharat Cess) @4.35% on Total Freight (11 * 4.35%)	₹	110734.07
13	<b>Rounded off Service Tax</b>	₹	<b>110734.00</b>
14	<b>Total Rounded off Freight to be collected from one rake = (11+13)</b>	₹	<b>2656345</b>

**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.