

NORTH EASTERN RAILWAY
Rates Circular (Coaching) No. **19** of 2015
(Case No. C/O/Service Tax/Policy/RC)

(19)

Sub: Levy of service tax on Transportation of parcel traffic (leased or non-leased parcel traffic) by rail.

Ref: (1) This Railway's Rates Circular (Coaching) No.50 of 2012 dt.29.09.12,42 of 2014 dated 20.08.2014 and 11 of 2015 dated 10.03.2015.

(2) Ministry of Finance Notification No.3 of 2013-Service Tax dt.01.03.2013 & 25 of 2012 dt. 20.6.2012.

(3) Ministry of Finance Notification No.06 of 2015 –Service Tax dt. 01.03.2015

-
1. Ministry of Finance vide its “**Notification No. 3 of 2013-Service Tax**” dated 01.03.2013 has removed exemption for certain commodities. Accordingly, instructions were issued.
 2. Further, Ministry of Finance vide its notification no.6 of 2015-service tax dated 01.03.2015, it has been notified that “Food stuff including flours, tea, coffee, Jiggery, sugar, milk products, salt and edible oil, excluding alcoholic beverages” should be substituted as under:-“Milk, salt and food grain including flours, pulses and rice.”
 3. In view of above, Finance Notification No. 6 of 2015, commodities exempted from payment of service tax shall be as under:-
 - (a) **Agricultural produce;**
 - (b) **Relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap;**
 - (c) **Defence or Military equipments;**
 - (d) **Milk, salt and food grain including flours, pulses and rice.**
 - (e) **Newspaper or magazines registered with the Registrar of Newspapers;**
 - (f) **Railway equipments or materials;**

The changes as per para 3 above shall be implemented w.e.f. 01.04.2015.

4. Further, it has been proposed by Ministry of Finance that the service tax rate shall be increased from 12% plus Education Cesses to 14%. The ‘Education Cess’ and ‘secondary and Higher Education Cess’ shall be subsumed in the new service tax rate. Accordingly, it is propose to modify para 3.0 & 4.0 of Freight Marketing Circular no.21 of 2012 as under:-

“Service tax of 14% shall be charged on 30% of freight equivalent to 4.2% on the total freight. Therefore service tax chargeable shall be 4.2 % of the total freight.”

Further, it has been proposed by Ministry of Finance to levy Swachh Bharat Cess on all or certain taxable services at a rate of 2% on the value of such taxable services. If Railway is included in the list for Swach Bharat Cess the same will also be notified to Railways.

5. This is advance notification to Railways. Exact date for implementation of para 4 above shall be notified subsequently.

All the circulars issued on & after 01.01.2014 are also available on this Railway website www.ner.indianrailways.gov.in and the same can also be downloaded.

DRMs to please ensure compliance by staff.

Staff concerned to note and act accordingly.

Authority-No. Rly.Board's letter No. TC-II/2046/2012/3/Service Tax dated 08.04.2015,
FM Circular No. 07 of 2015

sd-
(Dev Anand)
ACM/FMSR
For General Manager/C

(2)

No. C/O/Service Tax/Policy/RC

Dated 20.04.2015

Copy forwarded for information and necessary action to:-

- | | | | |
|----|---|----|---|
| 1 | All SS/SMs/NER | 12 | The GS/IRCA/New Delhi. |
| 2 | All DRMs/Sr.DCMs/DCMs/NER | 13 | Director, IRITM,Hardoi Bye Pass Road, Kanausi,Manaknagar,Lucknow |
| 3 | CCM/CCM(PSM)/FM/ FA&CAO /
NER/GKP | 14 | Secretary,Rly.Rates Tribunal,5,P.V.Cherian
Rd.Egmore,Chennai-600105 |
| 4 | All PHODs/NER/GKP | 15 | Principal / Director of Audit/NER/GKP. |
| 5 | CCM, All Indian Railways | 16 | Principal/ZTS/ECR /MFP. |
| 6 | Dy.CCM/PS,DY.CCM/UTS,PO/NER/GKP | 17 | DY.CVO(T)/NER/GKP |
| 7 | Executive Director (Rates) Railway Board, New Delhi. | 18 | DY. COM/FOIS/DY.COM COACHING , STM COACHING /NER/GKP |
| 8 | CPTM/NER/GKP | 19 | SCM/PS, SCM/FSMR/NER , SCM/UTS, SCM/TC, Secy. to CCM/NER |
| 9 | CCM/KRC, CBD Belapur, New Mumbai-10014 6 | 20 | Area Manager/NERGKP/GD,Area Officer,NER/Chhapra |
| 10 | MD/CRIS,Chankyapuri,New Delhi-23 | 21 | CPRO/N.E.Railway/GKP- For vide publicity.through
suitable notice in Print/Electronic Media |
| 11 | CAO/FOIS Northern Rly. CRIS, Complex
,Chanakyapuri, New Delhi-23 | | |

Circular 2015-


For General Manager/C