



East Coast Railway

Office of the
Chief Commercial Manager
Bhubaneswar-751017

Commercial Circular No. 94 (GC)/2017

dated:16.06.2017

To
All SMs/CPS/CGS/CBS
Sr.DCM/KUR, WAT & SBP

Sub : Evasion of Sales Tax/Trade Tax/VAT etc. in respect of Parcel/Goods traffic booked/transported through Railways - Sharing of information with Central/State Govt. Tax officials.

Railway Board vide FM Circular No.32 of 2006 had issued detailed guidelines which included action to be taken in respect of collection of the details of consignments/consignors/consignees etc. by Sales Tax/Trade Tax/VAT/Commercial Tax officials of State Govt. This was followed by FM Circular No.8 of 2011 dt 24.11.2011 and No.06 of 2016 dt 24.06.2016 directing that instructions contained in FM Circular No.32 of 2006 dt 24.07.2006 should be rigidly followed by all concerned. Photocopies of the same are enclosed for ready reference.

In spite of the above, complaints continue to be received from Commercial Tax Deptt. of State Govt. about non-cooperation by Railway staff at the field level i.e. at Parcel Office and Goods Shed in sharing information with the Tax authorities. This is so in spite of the fact that all these instructions were reiterated vide this Railway Commercial Circular No.106(GC)/2016 dt.21.7.2016. A number of references have been received in the recent past from Regional Economic Intelligence Council, Bhubaneswar on non-provision of essential information to Tax authorities leading to leakage of Tax revenue of State Govt. With the introduction of GST with effect from 01.07.2017, both State Govt. as well as Central Govt. Tax authorities will have a role in enforcing Tax compliance by Railways which will include all our Parcel, Goods and Ticket booking activities. As a Central Govt. organization and national carrier, Railway cannot possibly be seen to be assisting any illegal activity which may cause loss of revenue to the nation.

It has, therefore, been decided that henceforth any official information related to booking, delivery of Parcels and Goods including manifest of leased parcels should be shared with Govt. Tax officials after due check of their valid identity. Since providing/taking photocopies of the documents may not be practical, these officials should be permitted to take photographs of the documents on their mobile phones, Notepad etc. against a formal requisition along with photocopy of their Identity Cards.

It is however clarified that no seizure by Sales Tax/Commercial Tax authorities is permitted while Parcels/Goods are in transit i.e. seizures shall be confined to forwarding or destination station only.

Sales Tax/VAT/Commercial Tax Officials shall not be authorized to detain any rolling stock on account of seizure of consignments. Further, to avoid congestion and hindrance in operation, under no circumstances seized Parcels/Goods shall be detained at railway station/premises. They shall be taken away immediately by the Sales Tax authorities who shall give a proper receipt and execute an indemnity bond for the seized goods.

Any deviation from the above instructions will be seriously viewed.

Encl: As above (04 pages)

(Linayak P. Swain)
Chief Commercial Manager

SL NO (94)(GC)

Page (5) (1)

FM CIRCULAR NO- 6
OF 2016

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

No. 2006/TC(FM)/11/8

New Delhi, dated

24.06.2016

General Managers,

- | | |
|--|---|
| 1. Central Railway, Mumbai (CSTM). | 9. North Western Railway, Jaipur. |
| 2. Eastern Railway, Kolkata. | 10. Southern Railway, Chennai. |
| 3. East Central Railway, Hajipur. | 11. South Central Rly., Secunderabad. |
| 4. East Coast Railway, Bhubaneswar. | 12. South Eastern Railway, Kolkata. |
| 5. Northern Railway, New Delhi. | 13. South East Central Rly., Bilaspur. |
| 6. North Central Railway, Allahabad. | 14. South Western Railway, Hubli. |
| 7. North Eastern Railway, Gorakhpur. | 15. Western Railway, Mumbai (Churchgate). |
| 8. Northeast Frontier Railway, Maligaon. | 16. West Central Railway, Jabalpur. |

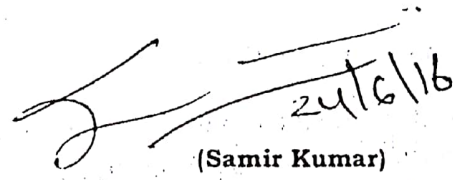
**Sub: Marketing of Parcel Traffic by Rail - Evasion of Sales/Trade tax/VAT etc.
In respect of parcel traffic booked/transported through Railways.**

Attention is invited to Freight Marketing Circular No.32 of 2006 issued vide Board's letter no.2006/TC(FM)/11/8 dated 24.07.2006 and Freight Marketing Circular No.08 of 2011 issued vide Board's letter no.2006/TC(FM)/11/8 dated 24.11.2011 on the above subject. It has come to notice that the instructions contained in the aforesaid circular are not being followed by some of zonal railways, leading to inconvenience to Sales Tax Officials. A copy of Freight Marketing Circular no.32 of 2006 and Freight Marketing Circular no.08 of 2011 is enclosed herewith.

These instructions must be followed rigidly by all concerned. Necessary instructions may be issued to all concerned to implement the above instructions with immediate effect.

Receipts of this letter may be acknowledged.

DA: as above


(Samir Kumar)

Director Freight Marketing

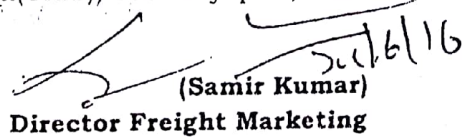
No.2006/TC(FM)/11/8

New Delhi, Dated 24.06.2016

Copy Forwarded for information and necessary action to :

1. Chief Commercial Manager, All Indian Railways.
2. Chief Commercial Manager(FM), All Indian Railways.
3. MD/Chief Commercial Manager, Kankan Railway Corporation Ltd., Belapur Bhawan, Plot no.6, Sector 11, CBD Belapur, Navi Mumbai-400014
4. General Manager, Centre for Railway Information System(CRIS), Chanakyapuri, Near National Railway Museum, New Delhi

SL NO (94)(GC)


(Samir Kumar)
Director Freight Marketing

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

No. 2006/TC(FM)/11/8.

Rail Bhavan, New Delhi - 110 001, dated **24.11.2011**

General Managers,

1. Central Railway, Mumbai (CSTM).
2. Eastern Railway, Kolkata.
3. East Central Railway, Hazipur.
4. East Coast Railway, Bhubaneswar.
5. Northern Railway, New Delhi.
6. North Central Railway, Allahabad.
7. North Eastern Railway, Gorakhpur.
8. Northeast Frontier Railway, Maligaon.
9. North Western Railway, Jaipur.
10. Southern Railway, Chennai.
11. South Central Rly., Secunderabad.
12. South Eastern Railway, Kolkata.
13. South East Central Rly, Bilaspur.
14. South Western Railway, Hubli.
15. Western Railway, Mumbai (Churchgate).
16. West Central Railway, Jabalpur.

**Sub: Marketing of Parcel traffic by rail - Evasion of Sales/Trade tax/VAT etc.
in respect of parcel traffic booked/ transported through Railways.**

Attention is invited to Freight Marketing Circular No. 32 of 2006 issued vide Board's letter No. 2006/TC(FM)/11/8 dated 24.07.2006 on the above subject. It has come to notice that the instructions contained in the aforesaid circular are not being followed by some of zonal railways, leading to inconvenience to Sales Tax Officials. A copy of Freight Marketing Circular No. 32 of 2006 issued under Board's letter No. 2006/TC(FM)/11/8 dated 24.07.2006 is enclosed herewith.

These instructions must be followed rigidly by all concerned. Necessary instructions may be issued to all concerned to implement the above instructions with immediate effect.

Receipt of this letter may be acknowledged.

DA: As above.



**(Rita Raj)
Director freight Marketing**

No. 2006/TC(FM)/11/8.

New Delhi, dated 24.11.2011

Copy forwarded for information and necessary action to:

1. Chief Commercial Manager, All Indian Railways.
2. Chief Commercial Manager(FM), All Indian Railways.
3. MD/ Chief Commercial Manager, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No.6, Sector 11, CBD Belapur, Navi Mumbai-400014.
4. General Manager, Centre for Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi.



**(Rita Raj)
Director freight Marketing**

SL NO (94) (GC)

- 3 -

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2006/TC(FM)/11/8.

Out. No. 110 001, dated
Rail Bhavan, New Delhi - 110 001, dated **24.07.2006**

The General Managers,

- | | |
|---------------------------------------|---------------------------------------|
| 1. Central Railway, Mumbai (CSTM). | 2. Eastern Railway, Kolkata. |
| 3. East Central Railway, Hazipur. | 4. East Coast Railway, Bhubaneswar |
| 5. Northern Railway, New Delhi. | 6. North Central Rly., Allahabad. |
| 7. North Eastern Railway, Gorakhpur. | 8. Northeast Frontier Rly., Maligaon, |
| 9. North Western Railway, Jaipur. | 10. Southern Railway, Chennai. |
| 11. South Central Rly., Secunderabad. | 12. South Eastern Railway, Kolkata. |
| 13. South East Central Rly, Bilaspur. | 14. South Western Railway, Hubli. |
| 15. Western Railway, Mumbai, | 16. West Central Rly., Jabalpur. |

Sub: Marketing of Parcel traffic by rail.

It has been decided that while booking of parcels either through Railways including City Booking Agencies or through leasing, following procedure may be observed: -

1. Clear and complete address of consignor as well as consignee should be mentioned on Forwarding Note/ Parcel Way Bill/ Manifest as the case may be. In case consignments are meant for sale, Sales Tax Registration Number/ TIN may be obtained from consignor on Forwarding Note and the same should be endorsed on Parcel Way Bill. In case of leasing, leaseholder shall mention Sales Tax Registration Number/ TIN of the consignors' in the 'Manifest'.
2. In case of consignments where consignor gives declaration that the consignment is 'Not for sale' or that 'No Sales Tax/VAT is applicable' on the commodity booked, then no Sales Tax Registration Number or TIN will be mentioned in the Forwarding Note/ Parcel Way Bill/ Manifest. In such a case declaration should be given by the consignors on Forwarding Note/ Manifest to this effect.
3. The name and complete address of the consignee or the person taking delivery at the time of delivery of parcels, at destination station, should be obtained in the 'Delivery Book'.
4. Railway/ City Booking Agency/ Leaseholder shall not be responsible for :-
 - (i) Authenticity of address of consignor or consignee as mentioned by the consignor in the Forwarding Note/details given to leaseholder while booking the consignments.
 - (ii) Declaration made by the consignor regarding applicability of Sales Tax/ Trade Tax/ VAT etc. on a particular commodity.
 - (iii) Registration Number/ TIN of consignor/consignee as mentioned by consignor in the Forwarding Note/ declaration by consignor to leaseholder. For all these declarations, responsibility will rest with consignor/ consignee.
5. No seizure by Sales Tax authorities is permitted while parcels are in transit i.e. seizures shall be confined to forwarding or destination station only.

SL No (94)
C97

- 64 -

6. Sales Tax/VAT/Commercial Tax Officials shall not be authorized to detain any rolling stock on account of seizure of consignments. Further, to avoid congestion and hindrance in operation, under no circumstance seized parcels shall be detained at railway station/premises. They shall be taken away immediately by the Sales Tax authorities who shall give a proper receipt and execute an indemnity bond for the seized goods.
7. Railways shall provide space to the Sales Tax Department to install one check post at the railway premises, near entry or exit gate of parcel office, keeping in view that no inconvenience is caused to Railway passengers or to customers booking their luggage/parcel traffic etc. Railways will provide space on payment of license fee applicable from time-to-time. Cost of construction of 'check post/ goomti' will be borne by Sales Tax Department of the State.
8. Sales Tax/VAT/Commercial Tax Officials, who are authorized by the Sales Tax/VAT/Commercial Tax department of State Government and having valid Identity Card, may collect the details of consignments/consignor/consignees etc. from the Railway records maintained in the Railway parcel offices.

Necessary instructions may be issued to all concerned to implement the above instructions with immediate effect.

Please acknowledge receipt.

(Ms. S.R. Sett)
Joint Director freight Marketing

No. 2006/TC(FM)/11/8.

New Delhi, dated 24.07.2006.

Copy forwarded for information and necessary action to:

1. Chief Commercial Manager, All Indian Railways.
2. Chief Commercial Manager(FM), All Indian Railways.
3. Managing Director, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No.6, Sector 11, CBD Belapur, Navi Mumbai-400014.
4. Chief Commercial Manager, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No.6, Sector 11, CBD Belapur, Navi Mumbai-400014.
5. Chief Operation Manager, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No.6, Sector 11, CBD Belapur, Navi Mumbai-400014.
6. General Manager, Metro Railway, 33/1, JL Nehru Road, Kolkata-700071.
7. General Manager, Centre for Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi.
8. Chief Commissioner of Railway Safety, Lucknow.
9. RDSO/Lucknow.
10. Director General, Railway Staff College, Vadodara.
11. Managing Director, Container Corp. of India, Sarita Vihar, New Delhi.
12. General Secretary, IRCA, Chelmsford Road, New Delhi for issue of necessary correction slip to Explanatory Notes contained in IRCA, Parcel Rate Tables, Coaching Tariff No. 25 (Part - III).
13. Director (Sales Tax), Department of Revenue, Ministry of Finance, New Delhi.

(Ms. S.R. Sett)
Joint Director Freight Marketing

SL No (94)
(GRC)

- 5 -