



EAST COAST RAILWAY

**Office of the
Chief Commercial Manager
Rail Sadan, Chandrasekharapur,
Bhubaneswar - 751017**

Commercial Circular No. **25** (GC) / 2017

Dt. 23.2.2017

Sub: Levy of service tax on booking of Postal mail or mail bags by Postal Department.

- Ref: 1. FM circulars No. 21 of 2012 dated 28.9.2012 (circulated vide this office Commercial Circular No. 102(GC) / 2012 dt. 29.9.2012) 12 of 2014 dated 12.8.2014 (circulated vide this office Commercial Circular No. 99(GC) dt. 14.8.2014) 03 of 2015 dt. 23.02.2015 (This office Comm Circular No. 20(GC)/2015 dt. 2.3.2015, 07 of 2015 dt. 8.4.2015, 11 of 2015 dt. 26.5.2015, 21 of 2015 dt. 13.11.2015, 03 of 2016 dt. 31.5.2016
2. Ministry of Finance Notification No. 3 of 2013 – Service Tax dated 1.3.2013 and 25 of 2012 dt. 20.6.2012
3. Ministry of Finance OM No. 354 / 44/2016 –TRU dt. 20.12.2016

Vide para 3 of Freight Marketing Circular No. 12 of 2014 dt. 12.8.2014 (circulated vide this office Commercial Circular No. 99(GC) dt. 14.8.2014), it was communicated that as per Ministry of Finance "Notification No. 3 of 2013-Service Tax" service tax shall be levied on Postal mail or mail bags.

It has now been clarified by Ministry of Finance that service tax is not leviable on services provided by Indian Railways to Department of Posts. However, the services provided by Indian Railways by way of transportation of postal mail or mail bags to other business entities i.e. private courier parcel agencies would qualify for levy of service tax.

The above should be implemented with effect from 1.4.2013

It is understood that wherever service tax has been paid by Department of Posts to Railways the same would have been transferred to Ministry of Finance and therefore no refund / adjustment may be permitted against such payment of service tax. However in cases where payment of service tax have not been made by Department of Posts, the same need be pursued for collection.

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

All concerned to ensure and act accordingly.

Authority: Railway Board's letter No. TC-II/2046/2012/3/Service Tax dt.14.2.2017 (Freight Marketing Circular No.2 of 2017)


(P. K. Samal)

Dy. Chief Commercial Manager (FS)


No. CCM/443/Service Tax/Pt-I

Dt.23.2.2017

All Station Managers/ Goods Supervisors/Commercial Supervisors /Siding Clerks / Booking Clerk in Charges / Weigh Bridge Clerks / CMLs .

Copy for information and necessary action to the:-

COM: ECoR., CFTM/ECoR, SDGM/ECoR/BBS, Chairman/RCT/BBS, Dy.CVO(T)/ECoR/BBS, Dy.COM(FOIS)/ECoR/BBS PO/RCT/BBS, Audit officer/BBS. Rates Section /CCM/ECoR/BBS -10 sets DRM: KUR, WAT SBP /ECoR, Sr.DOM-WAT, SBP, KUR/ ECoR, Sr.DCM:KUR, WAT/SBP /ECoR. Dy.CCO/ECoR, FA & CAO/BBS: E.Co.Rly, FA & CAO(T)/BBS: Traffic Manager: Visakhapatnam Port Trust, Paradeep Port/ Paradeep.


(P. K. Samal)

Dy. Chief Commercial Manager (FS)