

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No.2009/TC(CR)/305/6 Pt.A

New Delhi, Dt. 10.10.2012

Director (IM&O)
CONCOR
CONCOR Bhavan, C-3, Mathura Road
New Delhi-110076

Sub: Levy of service tax on transportation of commodities by rail in containers.

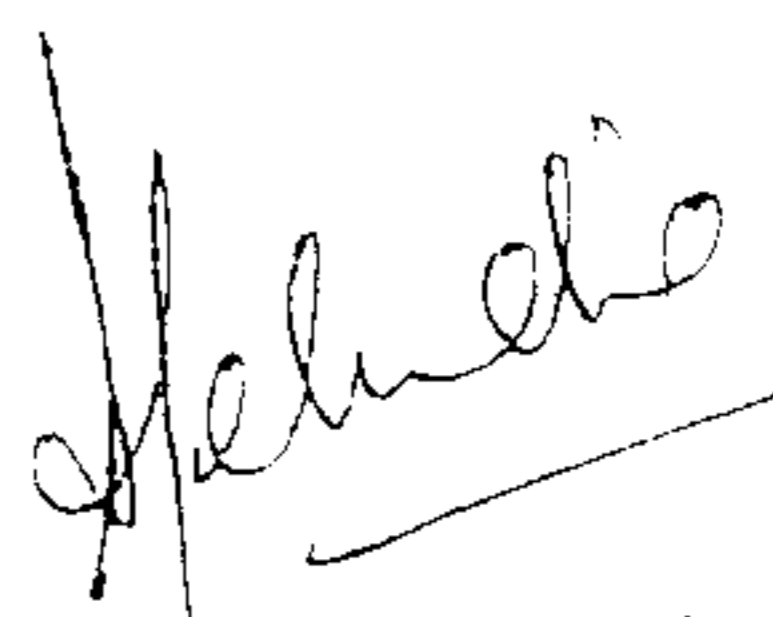
Please refer to CONCOR's letter No.CON/IM/217(I)/10 dt.01.10.2012 vide which it has been requested for modification in TMS so that no Service Tax is levied on exempted commodities.

The matter has been examined. In respect of container traffic, there are two methods of levying freight namely:

- Haulage Rate, which is levied for movement of containers irrespective of what commodity is carried therein. In other words, Haulage Rates are 'container' specific and rail-borne containers, as a traffic segment on Indian Railways, are not exempt from the purview of Service tax.
- Container Class Rate for notified commodities: None of the notified commodities are exempt from the purview of Service tax.

In the light of the above, there appears to be no need for effecting any modification in the TMS.

Handwritten notes and signature:
MHI-MRI
10/10/12


(Aashima Mehrotra)
Director, Traffic Comml.(Rates)
Railway Board

Handwritten signature:
Aashima Mehrotra