

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

No.TCR/1078/2015/15

New Delhi, dated:31.05.2016

General Managers  
All Indian Railways.

**Sub: Levy of Krishi Kalyan Cess on Transportation of Goods by Rail.**

**Ref: (A) 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; dated 03.06.2015 & 12.11.2015.
- (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

**(B) Ministry of Finance's Notifications listed below:**

- (i) Finance Act, 2016; and Ministry of Finance, Notification No. 27-31/2016-Service Tax dated 26.05.2016.

Ministry of Finance vide above referred Notification dated 26.05.2016 has decided that in exercise of powers conferred by Sub –Section (2) of Section 68 of the Finance Act, 1994 (32 of 1994) read with Sub-Section (5) of Section 161 of Finance Act, 2016 (28 of 2016), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby provides that Notification No. 30/2012-Service Tax, dated the 20<sup>th</sup> June, 2012, published in the Gazette of India, Extraordinary, Pt. II, Section 3, Sub-Section (i) vide No. GSR 472 (E), dated 20<sup>th</sup> June 2012 shall be applicable *mutatis mutandis* for the purpose of Krishi Kalyan Cess. This notification shall come into force from 1<sup>st</sup> day of June, 2016.

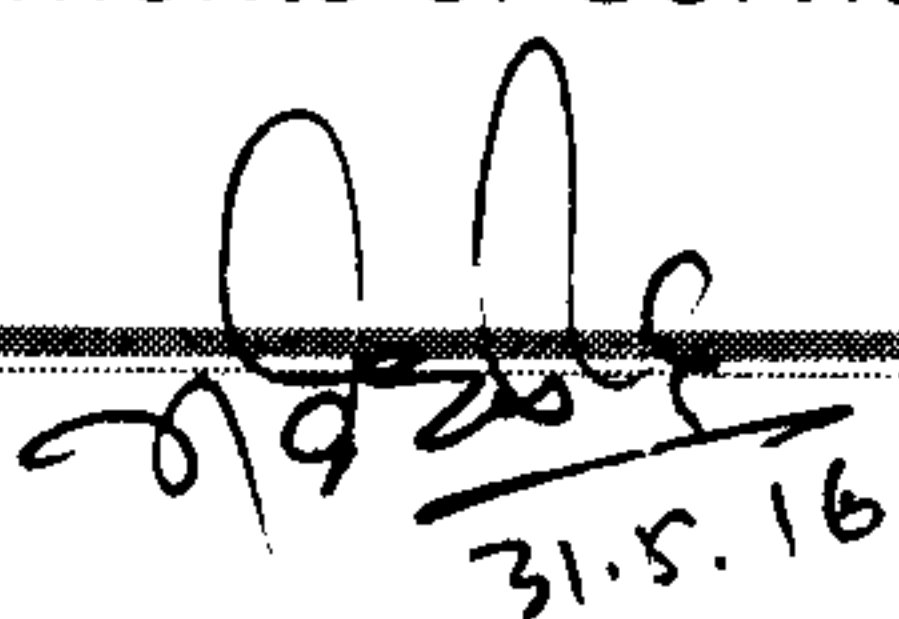
Krishi Kalyan Cess @ 0.5% is to be levied on the value of all taxable services.

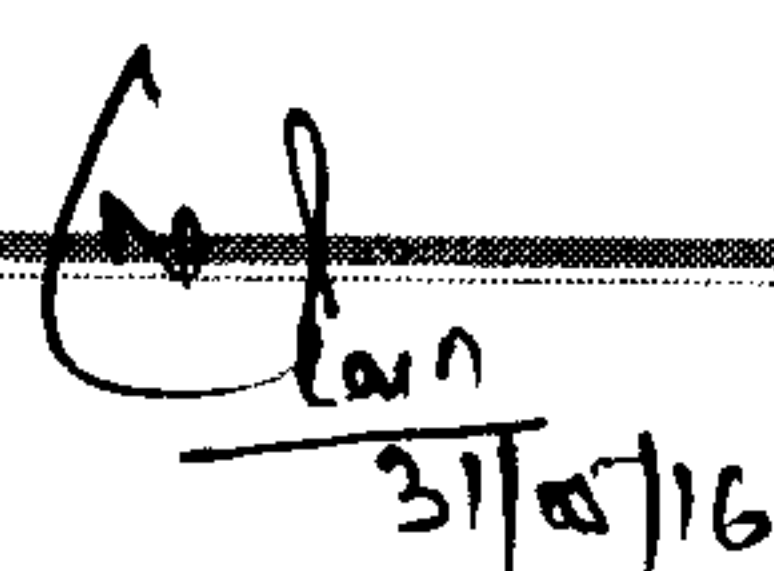
In view of the above, the rate of Service Tax on transportation of Goods by Rail shall be as **“Service Tax @ 14%; Swachh Bharat Cess @ 0.5%; and Krishi Kalyan Cess @ 0.5% of total value of taxable services”**.

Service Tax @ 14%; Swachh Bharat Cess @ 0.5%; and Krishi Kalyan Cess @ 0.5% are chargeable on 30% of total freight. The total Service Tax implication, therefore, will be 4.5% of the total freight.

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

CRIS/FOIS may make necessary changes in the software to capture the different elements of Service Tax separately.

  
31.5.16


  
31/5/16

Corrigendum No. 6 to Rates Circular No. 29 of 2012

These instructions shall come into force with effect from 01.06.2016.

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.



**(Mahender Singh)**  
**Deputy Director, Traffic Commercial (Rates)**  
**(Railway Board)**

No.TCR/1078/2015/15

New Delhi, dated: 31.05.2016

Copy for information and necessary action to:-

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



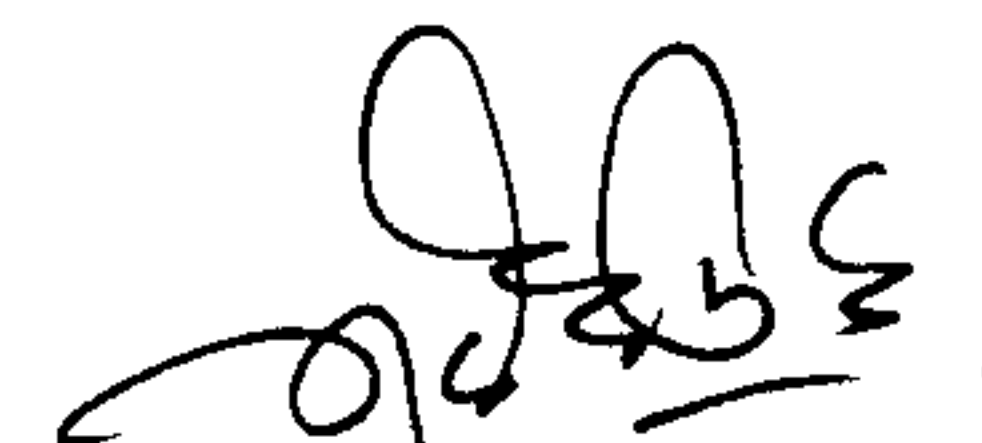
**for Financial Commissioner (Railways)**

No.TCR/1078/2015/15

New Delhi, dated:31.05.2016

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



**(Mahender Singh)**  
**Deputy Director, Traffic Commercial (Rates)**  
**(Railway Board)**

Copy to:

OSD/PSO to MT and FC for the kind information to MT & FC  
PPS to: AM(C), AM(T), AM (Vig),  
EDTT(F), EDF(C), EDFX(I),  
DF(C), DFM  
TC(CR),TC-I, TC(FM), F(C), Stat-II, Stat(CA), Stat-V, Stat(Econ), Economic Cell and  
Budget Branches of Railway Board.

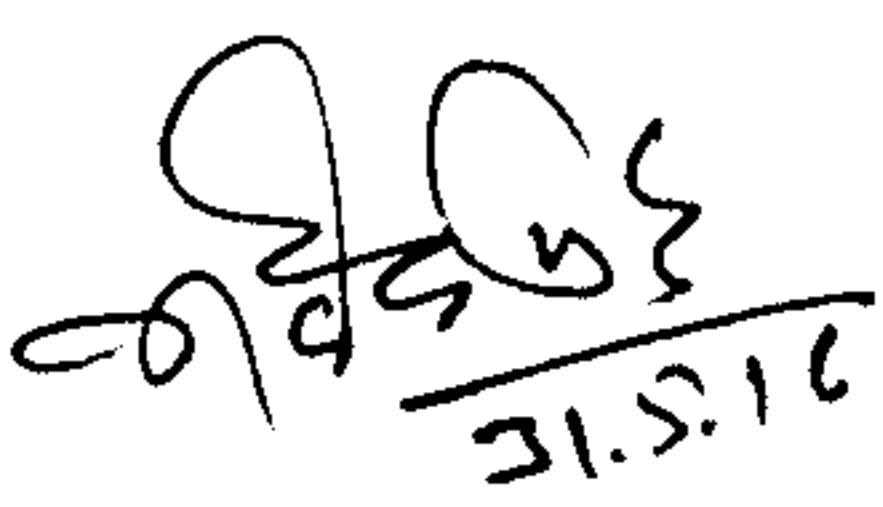
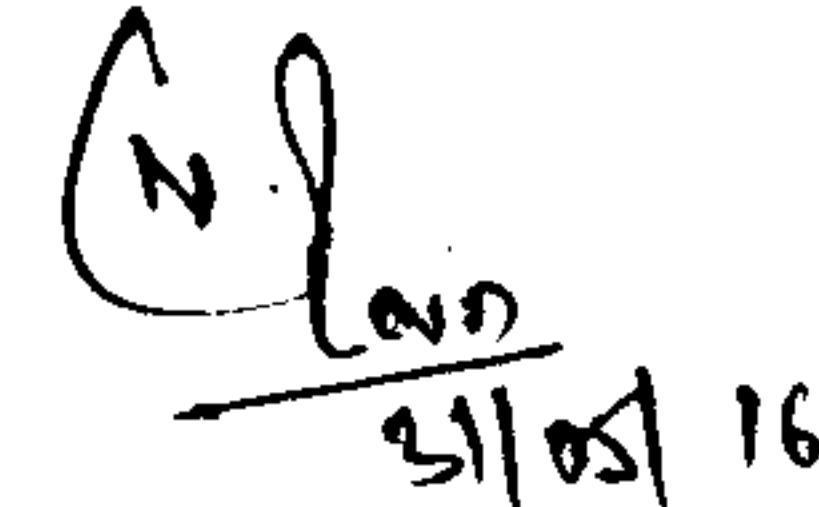
**Illustration -A:**

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	Base Freight per Tonne	₹	868.40
2	Busy Season Surcharge @ 15% = (1*15%) \$	₹	0
3	<b>Normal Tariff Rate (NTR) = (1+2)</b>	₹	<b>868.40</b>
4	Development Charge @5% = (3*5%)	₹	43.42
5	<b>Total Freight = (3+4)</b>	₹	<b>911.82</b>
6	<b>Total Freight per rake = (5*d*c)</b>	₹	<b>2527565.04</b>
7	<b>Rounded off Freight per rake</b>	₹	<b>2527566.00</b>
8	Add Service Tax @4.2% on Total Freight (7 * 4.2%)		106157.78 (rounded off 106158)
9	Add Swachh Bharat Cess @ 0.15% on Total Freight (7*0.15%)	₹	3791.35 (rounded off 3791)
10	Add Krishi Kalyan Cess @ 0.15% on Total Freight (7*0.15%)	₹	3791.35 (rounded off 3791)
11	<b>Total Service Tax (8+9+10)</b>	₹	<b>113740.48</b>
12	<b>Rounded off Service Tax</b>	₹	<b>113740.00</b>
13	<b>Total Rounded off Freight to be collected from one rake = (7+12)</b>	₹	<b>2641306.00</b>

**Note:** - \$ Wherever applicable as per the existing Rules

**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.

 31.5.16  
 31/05/16

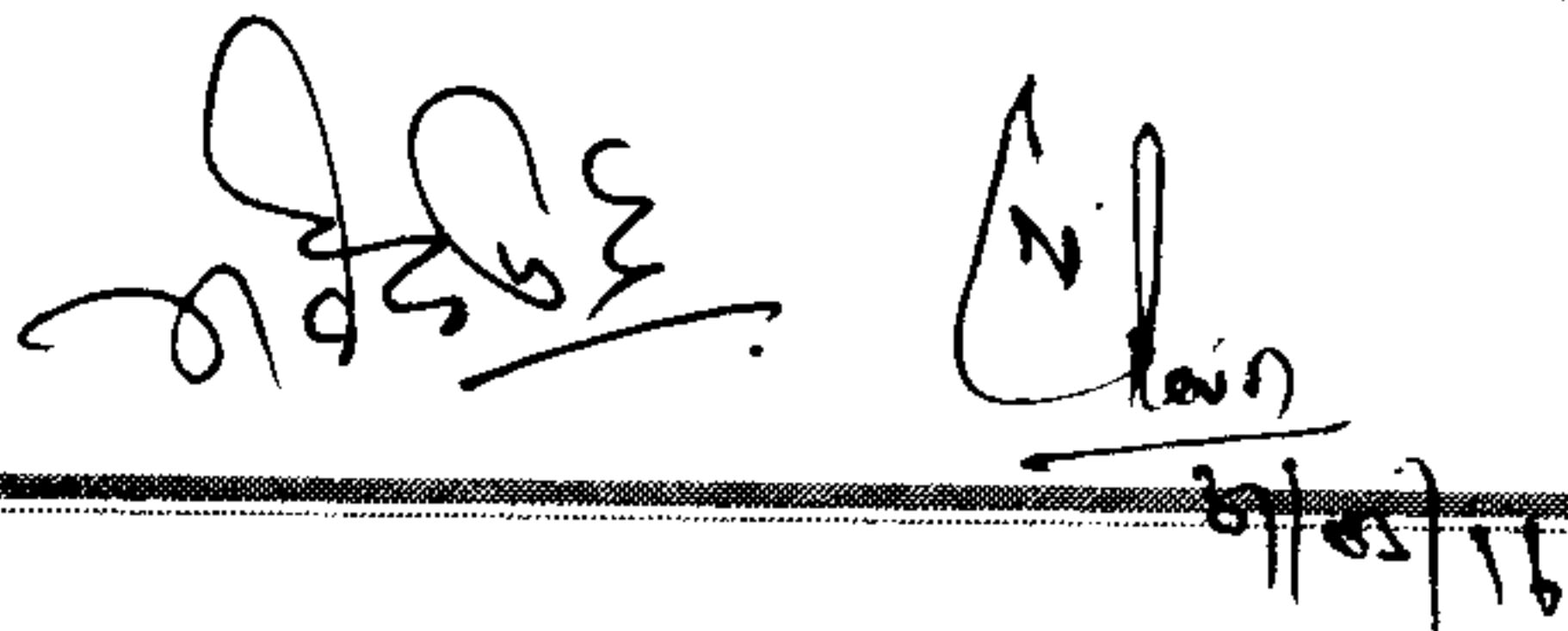
**Illustration-B:**

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*15%) \$	₹	130.26
3	Busy Season Surcharge @15% on Base Freight = (1*15%) \$	₹	0
4	<b>Normal Tariff Rate (NTR) per Tonne (1+3)</b>	₹	<b>868.40</b>
5	Development Charge@5% = (4*5%)	₹	43.42
6	<b>Total Freight = (4+5)</b>	₹	<b>911.82</b>
7	<b>Total Freight per rake = (6*d*c)</b>	₹	<b>2527565.04</b>
8	<b>Freight rebate under LWIS Scheme = (2*d*c)</b>	₹	<b>361080.72</b>
9	<b>Freight per rake after rebate = (7-8)</b>	₹	<b>2166484.32</b>
10	<b>Rounded off Freight per rake after rebate</b>	₹	<b>2166485.00</b>
11	Add Service Tax @4.2% on Total Freight (10 * 4.2%)		90992.37 (rounded off 90992)
12	Add Swachh Bharat Cess @0.15% on Total Freight (10 * 0.15%)	₹	3249.73 (rounded off 3250)
13	Add Krishi Kalyan Cess @0.15% on Total Freight (10 * 0.15%)	₹	3249.73 (rounded off 3250)
14	Total Service Tax (11+12+13)	₹	97491.83
15	<b>Rounded off Service Tax</b>	₹	<b>97492.00</b>
16	<b>Total Rounded off Freight to be collected from one rake = (10+15)</b>	₹	<b>2263977.00</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.



**Illustration -C:**

a	Distance	Kms	650
b	Wagon		BOXN
c	PCC of Wagon	Tonne	68
d	Rake Length	Wagons	59
e	Commodity		Coal
f	Class T/L		145
1	Base Freight per Tonne	₹	899.40
2	Busy Season Surcharge @ 15% = (1*15%) \$	₹	134.91
3	<b>Normal Tariff Rate (NTR) = (1+2)</b>	₹	<b>1034.31</b>
4	Development Charge @5% = (3*5%)	₹	51.72
5	<b>Total Freight = (3+4)</b>	₹	<b>1086.03</b>
6	<b>Total Freight per rake = (5*d*c)</b>	₹	<b>4357152.36</b>
7	<b>Rounded off Freight per rake</b>	₹	<b>4357153.00</b>
8	Add Service Tax @4.2% on Total Freight (7 * 4.2%)		183000.43 (rounded off 183000)
9	Add Swachh Bharat Cess @ 0.15% on Total Freight (7*0.15%)	₹	6535.73 (rounded off 6536)
10	Add Krishi Kalyan Cess @ 0.15% on Total Freight (7*0.15%)	₹	6535.73 (rounded off 6536)
11	<b>Total Service Tax (8+9+10)</b>	₹	<b>196071.89</b>
12	<b>Rounded off Service Tax</b>	₹	<b>196072.00</b>
13	<b>Total Rounded off Freight to be collected from one rake = (7+12)</b>	₹	<b>4553225.00</b>

**Note:** - \$ Wherever applicable as per the existing Rules

**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.

