

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

FM Circular No. 02. of 2017

No.TC-II/2046/2012/3/Service Tax

New Delhi, dated 14.02.2017

The General Managers,
All Zonal Railways,


SUB: Non-levy of service tax on booking of Postal mail or mail bags by Postal department

REF: 1.FM circulars No. 21 of 2012 dated 28.09.2012, 12 of 2014 dated 12.08.2014, 03 of 2015 dated 23.02.2015, 07 of 2015 dated 08.04.2015, 11 of 2015 dated 26.05.2015, 21 of 2015 dated 13.11.2015, 03 of 2016 dated 31.05.2016

2. Ministry of Finance Notification No. 3 of 2013-Service Tax dated 01.03.2013 and 25 of 2012 dated 20.06.2012.

3. Ministry of Finance OM No. 354/44/2016-TRU dated 20.12.2016

1. Vide para 3 of "FM circular No. 12 of 2014 dated 12.08.2014", 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.
2. 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.
3. The above should be implemented with effect from 01.04.2013.
4. 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 be made by Department of Posts, the same need not be pursued for collection.
5. This issues with the concurrence of Finance & Accounts Directorate of Ministry of Railways.
6. Necessary instructions may be issued to all concerned.

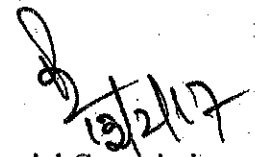

(S. M. Andaleeb Razi)
Director Freight Marketing
Railway Board

No.TC-II/2046/2012/3/Service Tax

New Delhi, dated 14.02.2017

Copy forwarded for information to:

1. The Dy. Comptroller & Auditor General of India (Railways), Room No.224, Rail Bhavan, New Delhi.
2. The FA&CAOs, All Indian Railways.
3. The Principal Director of Audit, all Indian Railways.

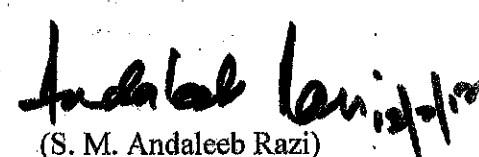

for Financial Commissioner/Railways.

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New Delhi, dated 14.02.2017

Copy forwarded for information to:

- (i) CCMs, all Indian Railways.
- (ii) CCMs(FM), all Indian Railways.
- (iii) General Secretary, IRCA, New Delhi.
- (iv) Managing Director/CRIS, Chanakyapuri, New Delhi.
- (v) General Manager, Metro Railway, Kolkata.
- (vi) Technical officer (TRU-II) in reference of Ministry of Finance letter dated 20.12.2016.
- (vii) Director (Mail Management), Department of posts.


(S. M. Andaleeb Razi)
Director Freight Marketing
Railway Board