



CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)

By Speed Post/Email

No. CWC/FD-TAXATION/CO(STC)/15-16

28.08.2015

Service Tax Circular # 87

Sub: Availing Service Tax Abatement for Transportation (By Road)
under category of GTA at CFS/ICDs

The competent authority had recently approved to appoint transport contractor for our various CFSs/ICDs as GTA where CWC is providing the services to its customers for Long Distance Transportation by road. In this regard, the following procedure may please be followed by all concerned.

1. Separate tender for Long-Distance transportation for various CFS/ICDs should be invited. This activity being in the nature of transportation (GTA), the service tax is to be paid by the service receiver i.e. CWC is liable to pay service tax on the bill amount to service tax authorities under Reverse Charge Mechanism (RCM).
2. The transport contractor being GTA for CWC, shall be issuing Consignment Note for transportation of goods by road. He will discharge the role and responsibility of GTA. CWC will in turn act as GTA for its customers and will issue Gate Pass or other such document as may be prescribed for movement of goods from/to the CFS/ICD. The Gate Pass or any other such document along with the

consignment note shall be carried by the transport contractor along with the Lorry/Vehicle.

3. The service tax liability shall be discharged by CWC on services provided by Transport Contractor under Reverse Charge Mechanism (RCM) @14% (applicable w.e.f. 01.06.2015) on 30% of gross freight payable to the transport contractor under abatement.
4. CWC being GTA for its customers, the payment of service tax liability is to be discharged by service recipient under Reverse Charge Mechanism (RCM). As service receiver i.e. importer / exporter may be an individual, proprietary concern, partnership firm or a company, to ensure that service tax is deposited into the Govt. treasury, CWC shall charge service tax @ 14% on 30% of the gross freight amount under abatement to all the customers in the bill. Thus, CWC will take the responsibility of charging / collecting and depositing the service tax on the GTA services provided by CWC to the customers. The service tax charged from the customers should be accounted under "Service Tax payable" and deposited with the authorities before the due date.
5. As per service tax law, if any new service is provided or received, application can be made electronically to get that service added in existing registration certificate. Therefore, Units which have not registered themselves under the category of Goods Transport Agency (GTA), may please get their registration certificate amended to include **Goods Transport Agency service not only as service provider but also as service recipient.**
6. The service tax so discharged by CWC on bills of H&T contractor will not be eligible for CENVAT Credit. Therefore, this deposit of service

tax @ 14% on 30% of gross freight under RCM will be a cost to CWC. The payment of service tax under RCM should be accounted as MF expenditure along with the transportation charges paid to the contractors. Therefore, it is advised to include the service tax paid under RCM as part of the transportation cost while fixing the tariff to be charged from customers.

Receipt of this Circular may please be acknowledged and its Contents be brought to the notice of all concerned for compliance.

This issues with the Approval of the GM (F&A).

Kumari
28/8/15
(KUSUM MITTAL)
Sr. Asstt. Manager(TAX)

Distribution to:

1. All Regional Managers of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.
3. All AGMs/Managers/(Sr.) Asstt. Manager in-charge of the Finance, Accounts & Internal Audit Wings of all ROs & CCs of CWC.

Copies for information to:

1. All HODs at CWC, Corporate Office, New Delhi.
2. All DGM/AGMs/Managers/(Sr.) Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Cadre at CWC Corporate Office, New Delhi.
3. PS to Managing Director, CWC,CO, New Delhi.
4. PS to Director(Fin)/Director(Pers),CWC,CO, New Delhi.
5. PS to CVO/OSD(Recovery)/GM(F&A)s, CWC, CO, New Delhi.
6. PS to GM(System), CWC, CO, New Delhi with a request to place this Circular on CWC's website.
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.

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