

CENTRAL WAREHOUSING CORPORATION

(A GOVT. OF INDIA UNDERTAKING)

By Speed Post/Email

No. CWC/FD-TAXATION/CO(STC)/15-16 / 470 D 10.11.2015

Service Tax Circular # 88

Subject= Levy of Swachh Bharat Cess @ 0.5% of value of taxable services

1. Vide Notification No. 21/2015 and 22/2015 dated 06.11.2015 issued by Department of Revenue, Ministry of Finance, Govt. of India, the Swachh Bharat Cess @ 0.5% will be levied on the value of all taxable services w.e.f. 15.11.2015. (except exempted services covered under Mega Exemption notification e.g. Services by way of loading, unloading, packing, storage or warehousing of rice, cotton, ginned/baled etc. and non taxable services specified under Negative List section 66B e.g. loading, unloading, packing, storage or warehousing of agricultural produce etc.)
2. The Corporation would, therefore be required to charge Swachh Bharat Cess on the value of all taxable services rendered by the Corporation @ 0.5% besides charging Service Tax @ 14% w.e.f. 15.11.2015. Accordingly, the effective rate of Service Tax including Swachh Bharat Cess will be 14.5% w.e.f. 15.11.2015. Swachh Bharat Cess would be applicable on value of taxable services for which point of taxation occurs on or after 15.11.2015. Please mention the levy of Swachh Bharat Cess separately upon the issuance of invoices.
3. Where Corporation has to pay Service Tax under RCM, Swachh Bharat Cess (SBC) is also payable by Corporation under RCM.
4. Wherever Service Tax is payable under abatement e.g. CWC provides GTA services to its customers, we need to charge SBC @ 0.5% on abated

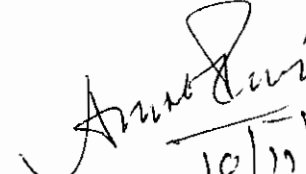
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14/11/2015

value (30% of value of services). For e.g. effective rate of Service Tax including SBC on GTA services would be (14.5% of 30%)=4.35%.

5. CENVAT Credit of SBC paid on input services shall not be available as there is no corresponding amendment in the CENVAT Credit Rules, 2004.

Receipt of this Circular may please be acknowledged and its contents brought to the Notice of all Concerned for Compliance.


10/11/15
(Amit Puri)

Dy. General 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 Director(Fin),CWC,CO, New Delhi.
4. PS to GM(System), CWC, CO, New Delhi with a request to place this Circular on CWC's website.
5. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.