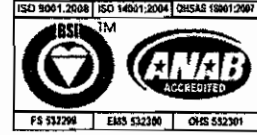




CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



By Speed Post / Email

No. CWC/FD-Taxation/CO(ST)/15-16

31th March, 2016

Service Tax Circular # 90

Subject: Chargeability of Service Tax on Charges for Container Rail Operations

This is with reference to chargeability of service tax on "container rail operations". The mechanism advised by Corporate office vide ST Circular No.#85 dated 31.03.2015 has now been reviewed in the light of amendment vide ST-notification no. 8/2016 dated 01.03.2016.

Presently, for these rail operations, Corporation is charging full service tax @ 14.5% for value of services provided without claiming abatement benefit. Corporation is also currently availing CENVAT credit in full of the service tax paid on input services for e.g. Haulage charges etc.

The position is now amended vide notification No. 8/2016 dated 01.03.2016 issued by CBEC under which CENVAT credit is allowed in full on input services along with the abatement benefit of 60% on the value of taxable services.

It has now been decided that for these operations w.e.f. 01.04.2016, Corporation shall be charging service tax to the customers under abatement and shall charge effective service tax @ 5.80% (after claiming abatement of 60%) on value of service provided. Also, Corporation shall avail CENVAT credit in full of the service tax paid on exclusive input services e.g. haulage charges paid to Indian Railway. The Credit for common input services shall be availed proportionately. However, CENVAT Credit of input (of goods) and Capital goods is still not allowed.

This is applicable w.e.f. 01.04.2016. The contents of this Circular may please be implemented and also brought to the Notice of all concerned for scrupulous compliance.

This issues with the approval of Competent Authority.


(Amit Puri)
DGM (TAX)

Distribution to:

1. All Regional Managers of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.


Smt. P. S. Chakravarty
1/4/16.

3. All AGMs/Managers/ (Sr.) Asstt. Managers 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 (Pers)/Director (MCP)/Director (Fin), CWC, CO, New Delhi.
5. PS to GM (F&A)s, CWC, Corp. Office, New Delhi.
6. PS to GM (Systems), 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.



(Amit Puri)
DGM (TAX)