



**दक्षिण रेलवे/SOUTHERN RAILWAY**

No.P(R)436/P/Vol.II

प्रधानकार्यालय/ Headquarters Office  
कार्मिक शाखा/ Personnel Branch  
चेन्नै/Chennai - 600 003  
दि./ Dated: 09-02-2015

**पी बी सी सं/ PBC No: 6 / 2015**

All PHODs / DRMs / CWMs / CEWE / CAO / CPM / Dy.GPOs / Sr.DPOs /  
DPOs / SPOs / WPOs / APOs of HQ / Divisions / Workshops / other Units, etc.,  
(As per mailing list - 'A')

विषय/Sub: ACS No. 40 to Appendix IX-Period for which records  
in Accounts Offices are to be retained of Accounts  
Code Part - 1.

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A copy of Railway Board's letter No.2010/AC-II/1/3 dt.02-01-2015 on the  
above subject is enclosed for information, guidance and necessary action.

Railway Board's letter dated 01-10-2012 referred therein is enclosed for  
reference.



(V. SRINIVASAN)  
वरिष्ठ कार्मिक अधिकारी/नियम  
Senior Personnel Officer/Rules  
कृते मुख्य कार्मिक अधिकारी  
For Chief Personnel Officer

सलग्न/Encl: as above

प्रतिलिपि/Copy to : The Genl Secy / SRMU  
The Genl Secy / AISCSTREA  
The Genl Secy / AIOBCREA

The Genl Secy / NFIR



महाप्रबंधक का कार्यालय  
GENERAL MANAGER'S OFFICE

19 JAN 2015

दक्षिण रेलवे/Southern Railway  
चेन्नई/Chennai-600 003

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

RBA No. 02/2015

No. 2010/AC-II/1/3

New Delhi, dated 2 .01.2015

1. General Managers/FA&CAOs etc (As per standard List I)
2. All attached offices/Subordinates offices (As per standard List II)

Sub: ACS No. 40 to Appendix IX - Period for which records in Accounts Offices are to be retained of Accounts Code Part -1.

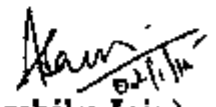
Please refer to Board's letter no. 2010/AC-II/1/3 dated 01.10.2012 regarding accounting procedure for levy of Service Tax on Goods, Passenger, Parcel and other Auxiliary services. Para 4 thereof envisage that all records shall be preserved atleast for a period of five years immediately after the financial year to which the record pertains. In this regard, references have been received from Railways to modify preservation period of Service Tax related records/documents stipulated in Appendix IX of Accounts Code - Vol I.

The matter has been examined and Appendix IX (Period for which records in Accounts Offices are to be retained) of Indian Railways code for the Accounts Department - Part - I, (Second Reprint) 1997 is modified vide ACS no. 40 placed below to effect that all records related to statutory Acts viz Service Tax, Excise, CENVAT etc. should be preserved for minimum preservation period prescribed under the statutory provisions and should on no account be destroyed without prior approval of the Head of the Department concerned.

Contents of the correction slip may please be circulated suitably.

Kindly acknowledge receipt.

DA: As above.

  
(Ambika Jain)  
Director Finance/CCA  
Railway Board

**Advance Correction Slip No. 40**

**INDIAN RAILWAYS CODE FOR THE ACCOUNTS DEPARTMENT  
PART – I (Second Reprint) 1997**

A new para may be added below the second para in Appendix IX (Period for which records in Accounts Offices are to be retained) of Indian Railways code for the Accounts Department - Part – I, (Second Reprint) 1997 as under:

Records related to statutory Acts viz Service Tax, Excise, CENVAT etc. shall be preserved for minimum preservation period prescribed under the statutory provisions and shall on no account be destroyed without prior approval of the Head of the Department concerned.

(Authority: Board's Letter No. 2010/AC-II/1/3 dated .01.2015)

Government of India  
Ministry of Railways  
Railway Board

**RBA No. 35 /2012**

Dated 1-10-12

2012/AC-II/13

General Managers/ FA&CAOs/ CCMs/ PCEs,  
Zonal Railways & KRCL

Sub: **Accounting Procedure** for levy of Service Tax on goods, passenger, parcel and other auxiliary services.

Ref: Board's letters no. (1) TCR/1078/2011/2 dated 27.6.12 and 28.9.12 on Goods Services;  
(2) TC-II/2910/2012/Service Tax dated 26.6.12, 26.9.12, 28.9.12 on Passenger Services;  
(3) TC-II/2046/2012/3/Service Tax dated 28.9.12 on Parcel Services and  
(4) 2004/TG-IV/39/24/Service Tax pt Iii dated 26.6.12, 27.7.12, 26.9.12 and 28.12/2012/LML/25/15 dated 28.9.12 on Auxiliary Services;

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Please refer to the letter above wherein instructions for levy of Service Tax on goods, passenger, parcel and other auxiliary services provided by Indian Railways have been issued. The service tax, education cess and higher/secondary education cess charges shall be levied in the manner notified therein. Provisions pertaining to Service Tax are available in Finance Act 1994 and Service Tax Rules 1994 as amended subsequently from time to time. Relevant notifications issued in this regard are accessible from the website of Ministry of Finance. It is requested that these notifications may be provided to the concerned railway officials for their information and necessary action. Zonal Railways are also advised to go through the compendium "Taxation of services- An education guide", released on 20th June, 2012 by Ministry of Finance ([www.servicetax.gov.in](http://www.servicetax.gov.in)).

2. As mentioned in letters ibid, FA&CAOs shall make an online application to the concerned Service Tax Authority in the prescribed form (ST-1) for registration within 30 days positively and obtain a Registration Number for recovery and remittance of Service Tax amount. Till allotment of the Registration number, remarks "Applied for" will be printed/ indicated in the railway receipts etc.

**Following instructions are issued in supersession of the accounting instructions issued vide letter of even no. dated 29.6.12, for accountal and remittance of Service Tax and cess amount so collected:**

**3.1 Goods Services:**

- (i) The amount of service tax and cess (Primary Education cess and Secondary and Higher Education cess) shall be included in Invoice itself and collected and accounted for/adjusted in government accounts accordingly.

- (ii) The adjustment ibid will be made by the originating Railway in case of Paid traffic and by the destination Railway in case of To-pay traffic.
- (iii) Terminal Management System (TMS) is being modified so as to include details of customers viz their name and address of customer, Service Tax registration number of FA&CAOs, amount of service tax and cess (education and higher/secondary education cess) payable on total freight charges in the invoice etc separately. Till allotment of Registration number, remarks "Applied for" will be printed in the RR.
- (iv) In cases where RRs are prepared manually (Non-TMS locations), the details ibid will be indicated manually by the Goods Clerk.
- (v) Separate codes shall be notified by Statistical directorate for service tax, cess and higher/secondary education cess for coding of invoices by Statistical branch/ Traffic Accounts Office for processing thereof in EDP Centres.
- (vi) The MPA/ Paid statement generated from the processed invoices shall capture the service tax, and cess separately.
- (vii) EDP Centre shall also generate a statement of station- wise service tax & cess so accounted for in the invoices for submission to Traffic Accounts office for arranging transfer of the amount of service tax & cess to the civil head 0044-Service Tax by contra debit to Goods Earnings in the relevant month's account.
- (viii) In case of overcharge/ refund of freight charges, if any, refund of Service Tax shall be made by Railway.
- (ix) Service tax and cess due in case of under charges detected at destination station shall be recovered by the destination station along with undercharges. The station will maintain separate record of service tax/cess so collected.
- (x) The stations shall also prepare a monthly statement showing party wise details of invoice, undercharges and service tax/ cess collected thereon to be submitted along-with the station balance sheet to Traffic Accounts Office.
- (xi) The Traffic Accounts Office will then arrange to transfer the net service tax/cess to the Civil Head 0044- Service Tax by contra debit to goods earnings. FA&CAO/ SC Railway shall introduce the above Civil Head in the Accounts Current Programme to facilitate the above adjustment.
- (xii) In case of charges payable through carriage bills, the service tax, cess and freight should be indicated separately and the service tax and cess shall be transferred to civil head 0044 - Service Tax by contra debit to goods earnings on collection of billed amount of Accounts Office Balance Sheet.

### **3.2 Passenger Traffic**

- (i) The Service Tax and cess on the stipulated rates shall be collected from AC- classes and 1st Class passengers along with the other due fare.
- (ii) The amount ibid shall be depicted separately on the ticket issued to the passengers.
- (iii) Service Tax collected by TTEs during journey would be reflected separately in their returns and mentioned while remitting their earnings at stations to facilitate separate account in Balance sheet and transfer thereof to the account head 'Service Tax'.
- (iv) Refund of the service tax collected shall be made by railways on cancellation of tickets.
- (v) FRS shall capture Zone-wise, location-wise, terminal-wise details of Service tax in accounting reports and furnish the same to Traffic Accounts office.
- (vi) Similar accounting report shall be provided by Commercial Department for PCT, SPTM and UTS etc. also.

- (ii) The amount of Service tax shall be worked out from accounting reports generated as detailed above.
- (iii) The amount so worked out shall be credited to the Civil account head 044- Service Tax by contra debit to passenger earnings.

### **3.3 Parcel Traffic**

- (i) Service Tax and cess shall be levied on Parcel traffic also as per instructions contained in the letter referred above.
- (ii) Each station collecting the service tax on parcel shall submit a statement showing customer wise details of service tax collected from them during the previous month, date wise with breakup of service tax and cess to CCM office and also to the Traffic Accounts Office along with the station balance sheet to facilitate accountal/ adjustment of the service tax in the concerned civil head of account (0044 - Service Tax) and issue of the service tax to the parties concerned. Before arranging adjustment of the amount in civil head, the amount of service tax/ cess shall be contra debited to earnings by Traffic Accounts Office.
- (iii) In case of overcharge, refund of Service Tax, if any, will be made by Railways.
- (iv) Service tax due in case of under charges detected at destination station shall be recovered by the destination station along with undercharge. The station will maintain separate record of service tax/cess so collected. It shall also prepare a monthly statement showing party wise details of invoice, undercharges and service tax/ cess collected thereon to be submitted to CCM Office as also to the Traffic Accounts Office along-with the station balance sheet.

### **3.4 Auxiliary services**

- (i) Zonal Railways shall compile and issue a consolidated list of all auxiliary services on which service tax is leviable.
- (ii) Each station/ cash office collecting the service tax on such transactions shall submit a statement showing customer/ contractor- wise details of service tax collected from them during the previous month, date wise with breakup of service tax and cess to Traffic Accounts Office to facilitate accountal/ adjustment of the service tax in the concerned civil head of account (0044 - Service Tax), . Before arranging adjustment of the amount in civil head, the amount of service tax/ cess shall be contra debited to earnings, as the case may be, by Traffic Accounts Office.
- (iii) In case of waiver/ refund of charges collected for auxiliary services, refund of Service Tax/ cess, if any, will be made by Railways.
- (iv) Regarding services rendered in the past, following course of action may be taken:
  - a. If agreements are alive and supporting clauses are available, Zonal Railways may pass on the tax liability to the customer wherever possible.
  - b. In cases where agreements are alive but no supporting clause exists, Zonal Railways shall examine incorporating the same duly negotiating with the contracting party and pass on the tax liability to the customer.
  - c. In cases where there is no such possibility, the liability may be assessed and the nodal Directorate in the Board may be informed for further instructions.

4. Proper record shall be maintained by the railway for the up keep of Service Tax related transactions from the initial stage itself for subsequent auditing by Service Tax authorities. As

Under Service Tax Rules 1994, all such records shall be preserved at least for a period of five years immediately after the financial year to which the records pertain

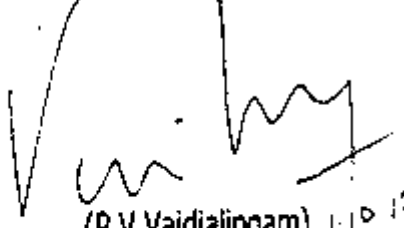
5. FA&CAO or an officer authorized by him shall submit return/ returns in such form and in such manner and at such frequency as may be prescribed, to the concerned Service Tax authority.

6. These instructions will come into effect from 1.10.12.

7. Detailed J.P.O. may be issued by FA&CAOs in consultation with CCMs and PCEs to all concerned in this regard for their guidance and compliance.

8. This issues in consultation with Commercial, Land Management and Finance Dtes of the Ministry of Railways.

Kindly acknowledge receipt and ensure compliance.

  
(P.V.Vaidialingam) 1.10.12  
Executive Director Accounts  
Railway Board