

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
RAILWAY BOARD**

No.TCII/2910/2012/Service Tax

New Delhi dt. 29.09.2012

Commercial Circular No. 60 of 2012

**The General Managers,
All Indian Railways**

Subject: Procedure Order for Implementing Service Tax Refunds on Passenger Fare Tickets Booked and Cancelled on or after 01.10.2012.

This refers to Commercial Circular No.59 of 2012 on the levy of service tax on transportation of passengers by Rail in Air-conditioned classes and 1st AC Class. The following has been stated therein:-

“In case of cancellation of tickets booked by the passengers on or after 01.10.2012, service tax can be refunded by Railways except for the portion of service tax on the amount of cancellation charges retained by the Railways.”

2.0 The following procedure shall be followed for the aforementioned refund of service tax:-

i) Service tax will be leviable only on the cancellation/clerkage charges retained by the Railways at the rate of 3.708% on the charges retained. The remaining portion of service tax collected at the time of booking shall be refunded alongwith the refundable fare portion.

ii) This will be applicable only to cancellation of AC Class/First Class tickets booked by passengers on or after 01.10.2012.

3.0 As the changes in the PRS and UTS' cancellation module and accounting module will be made effective by 10th of October, 2012, the following manual refund procedure shall be followed in the interim period, that is, between 01.10.2012 and 10.10.2012:-

i) In case of cancellation of AC class and First class tickets booked on or after 01.10.2012, service tax to be refunded would be done manually by Railways at the booking counters. In order to facilitate the refund process, the amount to be refunded would be displayed through PRS on the cancellation form itself of the PRS terminal.

ii) The account of the amount of service tax refunded manually shall be maintained in a separate register. The details of service tax refunded shall also be endorsed on the cancellation ticket by the booking clerk.

iii) For cancellation of e-tickets including dropped waitlisted e-tickets, IRCTC will refund the service tax to passengers from the e-ticketing front-end application and account for the same with Railways. The details of the amount of service tax to be refunded on the cancelled e-tickets would be sent by PRS to IRCTC while cancelling the tickets and service tax should be refunded in the same manner as refunds done for other cancelled tickets.

4.0 With effect from 10.10.2012, refund of service tax will be granted by the system itself, through the PRS and the UTS cancellation and accounting modules.

Please note and notify accordingly.



A. Madhukumar Reddy
Executive Director, Passenger Marketing,
Railway Board

Copy forwarded for information and necessary action to:

1. CCMs, All Indian Railways.
2. CCM(PM)s, All Indian Railways.
3. ADV(R), ED (C&T), EDVT, ED(C&IS), ED(Chg), EDFC, EDTT(F), DTC(G), Director (Catering) & DDTC(R) Railway Board.
4. TC-I, TC-III, TC-IV, TC(R), TC(CR), TG-I, TG-II, TG-III, TG-IV, TG-V, TC(FM), Tourism, V(SS), Budget, Coaching-II, E(W) & F(C) Branches, Railway Board.
5. General Secretary, IRCA, Chelmsford Road, New Delhi for issue of necessary correction slip to IRCA Coaching Tariffs. He will ensure that correction slips wherever necessary are printed and circulated to Zonal Railways well in time.
6. **MD, GM/PRS, GM/UTS**, Centre for Railway Information System (CRIS), Chanakyapuri, Near National Rail Museum, New Delhi - 110021
7. **MD/IRCTC, GGM/IT**, Indian Railway Catering and Tourism Corporation, Sansad Marg, New Delhi.
8. Managing Director, Konkan Railway Corporation Ltd., Belapur Bhavan, Plot No. 6, Sector 11, CBD Belapur, Navi Mumbai – 4000614.