CENVAT Credit: Certificate by Indian Railways an eligible document

N/N 26/2014-C.E.(N.T.) dated 27th Aug'14

- Service tax on transportation of goods was effectively levied w.e.f. 1st Oct'12(though levied from 1st July'12, but was deferred till 30th Sep'12).

- However, abatement of 70% was allowed vide N/N 26/2012-ST, hence effective rate of tax imposed was 3.708%.

- Ministry of Railways issued a circular- TCR/1078/2011/2,dated 27th Jun'12 to deal with the issues arising out of the aforesaid levy & in para 4(xi) of the same, it was stated that on written request from customers, a consolidated certificate for each customer shall be issued by the authorised officer of Indian Railways(CCM/Dy. CAO) on monthly basis giving following details date-wise & rake-wise:
    - Service Tax;
    - Education Cess;
    - Higher Education Cess; and
    - Total Service Tax

- It further stated that the said certificate can be used by the customers for taking CENVAT. However, no corresponding amendment was made by Ministry of Finance in rule 9 of CENVAT Credit rules, 2004, which deals with the list of eligible documents for availment of CENVAT.

- Now, vide N/N 26/2014-C.E.(N.T.), rule 9 of CENVAT Credit Rules, 2004 has been amended & clause (fa) has been inserted therein to include following certificate as an eligible document for the purpose of availing CENVAT:

  "a Service Tax Certificate for Transportation of goods by Rail (herein after referred to as STTG Certificate) issued by the Indian Railways, along with the photocopies of the railway receipts mentioned in the STTG certificate".

- Henceforth, the eligibility stated vide circular issued by Ministry of Railways has finally been brought at par with CENVAT credit rules.

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