



**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**  
(Regd. Office: PSEB Head Office, The Mall, Patiala-147001)  
**O/o Accounts Officer/Taxation, Shakti Sadan, Patiala**  
**[ao-taxation@pstcl.org](mailto:ao-taxation@pstcl.org) Tel. /Fax No. 0175-2203637**  
**Corporate Identity Number- U40109PB2010SGC033814**

Taxation Circular no.4/2014

To

1. All Addl. SEs/Sr. Xens under PSTCL
2. All Accounts Officers under PSTCL

Memo No: - 1958-2014/CFO/Taxation/ 10  
Dated: - 15/09/2014

**Subject: - Provisions regarding Service Tax along with deposit mechanism and filling of returns for the FY 2014-15.**

In order to compliance of various applicable provisions of Service Tax detail provisions along with payment mechanism and filling of returns are informed as under:-

**1. Provisions regarding Reverse Charge Mechanism:-**

Govt. of India introduced Reverse Charge Mechanism vide Notification No. 30/2012-Service Tax w.e.f. from 01/07/2012 (as amended by notification no. 10/2014 dated 11<sup>th</sup> July, 2014). As per scheme liability of payment of Service Tax affixed both on service receiver and service provider. Notification is also applicable on the PSTCL if it receives any of the services mentioned in table below:-

**Table**

S.No.	Description of a service	Percentage of service tax payable by the person providing service	Percentage of service tax payable by the person receiving the service
1	In respect of services provided or agreed to be provided by an insurance agent to any person carrying on insurance business	Nil	100%
1A	In respect of services provided or agreed to be provided by a recovery agent to a banking company or a financial institutions or a non-banking financial company	Nil	100%
2	In respect of services provided or agreed to be provided by a goods transport agency in respect of transportation of goods by road	Nil	100%
3	In respect of services provided or agreed to be provided by way of sponsorship	Nil	100%

4	In respect of services provided or agreed to be provided by an arbitral tribunal	Nil	100%
5	In respect of services provided or agreed to be provided by individual advocate or a firm of advocates by way of legal services	Nil	100%
6	In respect of services provided or agreed to be provided by Government or local authority by way of support services excluding,- (1) renting of immovable property, and (2) services specified in sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994	Nil	100%
7	(a) In respect of services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on abated value to any person who is <del>not</del> engaged in the similar line of business (b) In respect of services provided or agreed to be provided by way of renting of a motor vehicle designed to carry passengers on non-abated value to any person who is not engaged in the similar line of business <b>*Amended by Finance Act 2014 vide Notification No. 10/2014 dated 11/07/2014. This Notification shall come into force on the 11<sup>th</sup> day of July, 2014.</b>	Nil  60%  50%*	100 %  40%  50%*
8.	In respect of services provided or agreed to be provided by way of supply of manpower for any purpose	25%	75 %
9.	In respect of services provided or agreed to be provided in service portion in execution of works contract	50%*	50%
10	In respect of any taxable services provided or agreed to be provided by any person who is located in a non-taxable territory and received by any person located in the taxable territory	Nil	100%

**Note:** - For other details also refers F. R. Circular 2/2012 dated 03.10.2012.

**Note:-** As per Rule 2A of Service Tax (Determination of Value) Second Rules, 2006 vide Notification No.24/2012- ST, dated 06.06.2012 w.e.f. 01.07.2012 shall be determined by the service provider in the following manner, namely:-

- (i) Value of service portion in the execution of a works contract shall be equivalent to the gross amount charged for the works contract less the value of property in goods transferred in the execution of the said works contract.
- (ii) Where the value has not been determined under clause (i), the person liable to pay tax on the service portion involved in the execution of the works contract shall determine the service tax payable in the following manner, namely:-

Sl. No.	Description of Service	Value in % age of the total amount charged
(a)	Original Works	40%
(b)	maintenance or repair or reconditioning or restoration or servicing of any goods	70%*
(c)	maintenance, repair, completion and finishing services such as glazing, plastering, floor and wall tiling, installation of electrical fittings of an immovable property	60%*

\*Govt. of India vide Notification No. 11/2014 dated 11<sup>th</sup> July, 2014 made the following amendment:-

2. In the Service Tax (Determination of Value) Rules, 2006, in rule 2A, in clause (ii), for sub-clauses (B) and (C), the following sub-clause shall be substituted, namely:--

“(B) in case of works contract, not covered under sub-clause (A), including works contract entered into for,-

- (i) maintenance or repair or reconditioning or restoration or servicing of any goods; or
- (ii) (ii) maintenance or repair or completion and finishing services such as glazing or plastering or floor and wall tiling or installation of electrical fittings of immovable property,

Service tax shall be payable on **seventy per cent (70%)** of the total amount charged for the works contract” for the above mentioned both cases **w.e.f. from 1<sup>st</sup> October, 2014.**

## **2. Due Date of Payment of Service Tax**

Month	Paid Physically	Paid online
April to February	5 <sup>th</sup> of the following month	6 <sup>th</sup> of the following month
March	31 <sup>st</sup> March of the same month	31 <sup>st</sup> March of the same month

**Before 1<sup>st</sup> day of October, 2014**

**Note:-** CBEC vide Notification no. 16/2013 dated 22.11.2013 has amended the Rule 6 of Service Tax rules, 1994 and prescribed that where an assessee has paid total service tax of Rs. One lac or more including the amount paid by utilization of CENVAT credit, in the preceding financial year, he shall deposit the service tax electronically through internet banking. This shall come into force on the 1<sup>st</sup> day of January, 2014.

**After 1<sup>st</sup> day of October, 2014**

Govt. of India vide Notification No. 9/2014 dated 11<sup>th</sup> July, 2014 substitute the sub rule (2) in rule 6 of the said rules with effect from the 1<sup>st</sup> October, 2014 namely:-

“(2) Every assessee shall electronically pay the Service Tax payable by him through internet banking;

Provided that the Assistant Commissioner or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction, may for reasons to be recorded in writing, allow the assessee to deposit the service tax by any mode other than internet banking.”

**3. Interest on Late Payment of Service Tax**

**Before 1<sup>st</sup> day of October, 2014**

In case of delayed payment of service tax, there is a mandatory simple interest @18% per annum under section 75 for the period for which payment is delayed.

**After 1<sup>st</sup> day of October, 2014**

Govt. of India vide Notification No. 12/2014 dated 11<sup>th</sup> July, 2014 amended the Section 75 of Finance Act 1994 as below:

Sl. No.	Period of delay	Rate of Simple Interest
(1)	(2)	(3)
1.	Up to six months	18 per cent.
2.	More than six months and Up to one year	18 per cent. For the first six month delay And 24 per cent. For the delay beyond six month
3.	More than one year	18 per cent. for the first six months of delay; 24 per cent. for the period beyond six months up to one year and 30 per cent. for any delay beyond one year.

**4. Penalty provision for non-payment or delayed payment of Service Tax**

If service tax is not paid or belatedly paid, penalty shall be imposed at a minimum of Rs. 100 per day during which such failure continues, or @1% p.m., whichever is higher starting with the first day after the due date till date of actual payment of outstanding amount. However, the penalty cannot exceed the service tax which was payable. [Section 76 of Finance Act, 1994].

**5. Due Dates for submitting Half Yearly Returns of Service Tax (Rule-7)**

Period	Due Date
From 1 <sup>st</sup> April to 30 <sup>th</sup> September	On or before 25 <sup>th</sup> October of following month
From 1 <sup>st</sup> October to 31 <sup>st</sup> March	On or before 25 <sup>th</sup> April of following Financial Year

Service Tax return is required to be filed electronically in Form ST-3 or ST-3A in triplicates

**Note:** Further an assessee may submit a revised return in form ST-3 to correct a mistake or omission within a period of 90 days from the date of submission of return under Rule-7.

**6. Penalty for late filing of Service Tax return**

Period of delay	Amount of Penalty
For delay up to 15 days	Rs. 500/-
For delay beyond 15 days but up to 30 days	Rs. 1000/-
For delay beyond 30 days	Rs. 1000/- plus Rs. 100 per day beyond 30 days till the filling of return (subject to maximum Rs.20000/-).

This issue is with the approval of competent authority.

*Vijay Khandel*  
15/09/14  
Accounts Officer/ Taxation  
PSTCL, Patiala.

Endst No: - 2015-2033/CFO/Taxation/10

Dated:-15/09/2014

Copy of the above is forwarded to the following for information please.

1. All Engineer-in –Chief/ Chief Engineer in PSTCL
2. Financial Advisor PSTCL, Patiala
3. All Dy. CEs/SEs under PSTCL
4. All Dy. CAOs/ Dy. FAs under PSTCL
5. Company Secretary PSTCL, Patiala

*Vijay Khandel*  
15/09/14  
Accounts Officer/ Taxation  
PSTCL, Patiala.

CC. SE/IT, PSTCL, Patiala with a request to upload the circular on PSTCL website.