



PUNJAB STATE TRANSMISSION CORPORATION LIMITED

(Regd. Office: PSEB Head Office, The Mall, Patiala-147001)

Office of CFO, Taxation Section, Shakti Sadan, Patiala

ao-taxation@pstcl.org Tel. /Fax No. 0175-2203637

Corporate Identity Number- U40109PB2010SGC033814

Taxation Circular no. 8/2016

To

All Addl. SEs/Sr. Xens/AOs (DDOs)
Under PSTCL

Memo No: -1642-1689/CFO/Taxation/10

Dated: - 31/05/2016

Subject: - Provisions regarding Service Tax along with deposit mechanism, due dates for filling of returns, penalties etc. for the FY 2016-17 (AY 2017-18).

To comply with various applicable provisions of Service Tax detail provisions along with payment mechanism, due dates for filling of returns, penalties etc. 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 11th July, 2014, notification no. 7/2015-ST dated 1st March, 2015 & notification no. 18-2016-ST dated 1st March, 2016). As per reverse charge mechanism liability of payment of Service Tax is lies both on service receiver and service provider. These notifications are also applicable on the PSTCL if it receives any of the services mentioned in table below:-

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%
1C	In respect of services provided or agreed to be provided by a selling or marketing agent of lottery tickets to a lottery distributor or selling agent.	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%
5A	In respect of services provided or agreed to be provided by a director of a company or a body corporate to the said company or the body corporate	Nil	100%
6	In respect of services provided or agreed to be provided by Government or local authority by way of any 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 not engaged in the similar line of business (abatement 60%) (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.	Nil 50%	100 % 50%
8.	In respect of services provided or agreed to be provided by way of supply of manpower for any purpose	----	100%
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%
11	In respect of any services provided or agreed to be provided by a person involving an aggregator in any manner	Nil	100%

Note:- For other details also refer 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:-

SI. 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 (w.e.f from 01/10/2014)	70%
(c)	maintenance, repair, completion and finishing services such as glazing, plastering, floor and wall tiling, installation of electrical fittings of an immovable property (w.e.f from 01/10/2014)	70%

2. Due Date of Payment of Service Tax

Month	Paid electronically
April to February	6 th of the following month
March	31 st March of the same month

- As per Notification No. 9/2014 dated 11th July, 2014 öEvery 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.ö

3. Interest on Late Payment of Service Tax

From 1st day of October, 2014 upto 13th May, 2016

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

SI. No.	Period of delay	Rate of Simple Interest
1.	Up to six months	@ 18%
2.	More than six months and up to one year	@ 18% for the first six month delay and @ 24% for the delay beyond six month & upto one year
3.	More than one year	@18% for the first six months of delay; @24% for the period beyond six months up to one year and @30% for any delay beyond one year.

From 14th May, 2016

Govt. of India vide Notification No. 13/2016 dated 01/03/2016 amended the Section 75 of Finance Act 1994 as below:

SI NO.	Situation	Rate of Interest
1	Collection of any amount as Service tax but failing to pay the amount so collected to the credit of the Central Government on or before the date on which such payment becomes due.	24%
2	Other than in situations covered under serial number 1 above	15%

4. Penalty provision for non-payment or delayed payment of Service Tax (Section 76)

(1) Where service tax has not been levied or paid, or has been short-levied or short-paid, or erroneously refunded, for any reason, other than the reason of fraud or collusion or wilful mis-statement or suppression of facts or contravention of any of the provisions of this Chapter or of the rules made thereunder with the intent to evade payment of service tax, the person who has been served notice under sub-section (1) of section 73 shall, in addition to the service tax and interest specified in the notice, be also liable to pay a penalty not exceeding 10% of the amount of such service tax:

Provided that where service tax and interest is paid within a period of thirty days of –

(i) The date of service of notice under sub-section (1) of section 73, no penalty shall be payable and proceedings in respect of such service tax and interest shall be deemed to be concluded;

(ii) the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of section 73, the penalty payable shall be 25% of the penalty imposed in that order, only if such reduced penalty is also paid within such period.

(2) Where the amount of penalty is increased by the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be, over the above the amount as determined under sub-section (2) of section 73, the time within which the reduced penalty is payable under clause (ii) of the proviso to sub-section (1) in relation to such increased amount of penalty shall be counted from the date of the order of the Commissioner (Appeals), the Appellate Tribunal or the court, as the case may be.ö

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

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

Revised Half Yearly Return:- Assesse may submit a revised return in form ST-3 to correct a mistake or omission with in a period of 90 days from the date of submission of return under Rule-7.

6. Due Date for submitting Annual Return of Service Tax (Rule-7) applicable w.e.f. 01.04.2016

Period	Due Date
Annual Return i.e. from 1 st April to 31 st March*	On or before 30 th November of the succeeding Financial year

* Inserted by Notification No. 19/2016 dated 01.03.2016 applicable w.e.f from 01.04.2016.

Revised Annual Return:- Assesse may submit a revised return to correct a mistake or omission with in a period of one month from the date of submission of return under Rule-7.

7. Penalty for late filling of Service Tax return

	Period of delay	Amount of Penalty
Delay in Filling half yearly returns	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/-)
Delay in filling Annual Return	After the due date	Rs. 100 per day for the period of delay subject to maximum of Rs.20000/-.

Vijay K. Bhasel

Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: -1690-1725/CFO/Taxation/10

Dated: - 31/05/2016

Copy of the above is forwarded to the following for information and further necessary action please.

1. Engineer-In-Chief/TS, PSTCL, Patiala.
2. Chief Engineer/SLDC, PSTCL, Patiala.
3. Chief Engineer/P&M PSTCL Ludhiana.
4. Chief Engineer/HR, S&D and IT PSTCL, Patiala.
5. Financial Advisor PSTCL Patiala.
6. Company Secretary, PSTCL.
7. Chief Auditor, PSTCL, Patiala.
8. All Dy.CEs/SEs under PSTCL.
9. All Dy. CAOs / Dy. CAS / Dy. FAs under PSTCL.
10. All Addl. SEs/Sr. Xens (under PSTCL)
11. All AOs under PSTCL (other than DDOs).
12. SE/IT, PSTCL, Patiala for placing the circular on website of PSTCL.

Vijay K. Bhasel

Accounts Officer/Taxation
PSTCL, Patiala.

CC:

1. Sr. PS to CMD, PSTCL, Patiala for kind information of CMD, please.
2. Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.
3. Dy. Secy. to Director/Tech., PSTCL, Patiala for kind information of Director, please.
4. Sr. PS to Director/Admn., PSTCL, Patiala for kind information of Director, please.