



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

Taxation Circular no.6/2015

To

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

Memo No: - 1288-1342/CFO/Taxation/ 10

Dated: - 05/06/2015

Subject: - Provisions regarding Service Tax along with deposit mechanism, due dates for filling of returns, penalties etc. for the FY 2015-16 (AY 2016-17).

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). 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:-

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%
1B	In respect of services provided or agreed to be provided by a mutual fund agent or distributor, to a mutual fund or asset management company (applicable w.e.f from 01/04/2015).	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 (applicable w.e.f from 01/04/2015).	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 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 (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 (Amended by Notification No. 7/2015-ST dated 01/03/2015) applicable w.e.f from 01/04/2015.	----	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 (applicable w.e.f from 01/03/2015).	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:-

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 *(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

After 1st day of October, 2014

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

“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 1st 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 1st day of October, 2014

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

Sl. No.	Period of delay	Rate of Simple Interest
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% for the period beyond six months up to one year and 30% for any delay beyond one year.

4. Penalty provision for non-payment or delayed payment of Service Tax (Section 76 as amended by Finance Act, 2015)

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.”

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

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/-)

Vijam Khandel
5/6/15
Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: -1343-1361/CFO/Taxation/10

Dated:-05/06/2015

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. Company Secretary, PSTCL, Patiala
4. All Dy. CEs/SEs under PSTCL
5. All Dy. CAOs/ Dy. FAs under PSTCL
6. SE/IT, PSTCL, Patiala with a request to upload the circular on PSTCL website.

Vijam Khandel
5/6/15
Accounts Officer/ Taxation
PSTCL, Patiala.

CC:

Sr. PS to Director/F&C, PSTCL, Patiala for kind information of Director, please.