

**PUNJAB STATE GRAINS PROCUREMENT CORPORATION (PUNGRAIN)
JEEVENDEEP BUILDING, SECTOR -17, CHANDIGARH**

Memo No.: -PEG-Service Tax/2014/ 943

Date: 18.09.2014

To,

All District Managers,
Pungrain.

Sub: Regarding Service Tax of HLCs.

As per Service Tax guidelines already issued, HLCs whose billed amount is in excess of Rs. 10 lakh per annum are to pay the Service Tax on rice component only w.e.f. 01.07.2012 to 16.02.2014. The matter for the payment of Service Tax by HLCs is reviewed in detail in association of Finance Branch of Pungrain HQrs, Chandigarh. Accordingly, following guidelines are hereby issued:

- i. **Districts where Excess Amount paid to Service Tax department:-** Six districts have paid the Service Tax on the Supervision Charges on whole of the amount i.e. in respect of all the commodities up to 31.03.2014 with interest while it is to be deposited on rice component only w.e.f. 01.07.2012 to 16.02.2014. The excess Service Tax deposited with the Service department Tax should be adjusted against the Service Tax payable toward HLC. The interest on Service Tax paid should be recovered from the HLCs.
 - ii. **Blocked amount of HLCs:** - Almost in all the districts, Pungrain has blocked the amount from the HLC bills equivalent to the Service Tax. It should be used for the payment of Service Tax with interest and the Service Tax paid should get reimbursed from FCI and the interest on Service Tax should get recovered from the HLCs.
2. In addition to this, if in any other district, excess Service Tax on Supervision Charges has been paid, it should be adjusted against the Service Tax payable toward HLCs.
 3. In view of the above the Service Tax Returns may be revised accordingly, where ever applicable.

4. The claims from FCI may also revised/freshly filed, as the case may be for the purpose of reimbursement.

As per above instructions, you are requested to take action accordingly.


Executive Director,
Pungrain, Chandigarh.

Copy:
Director (Finance), Pungrain HQrs for information.


Executive Director,
Pungrain, Chandigarh.