

तार : 'फूडकोर्प'

Gram : 'FOODCORP'

फ़क्स नं: एचएफसीआई एन डी

Fax No.: HFCI ND

भारतीय  
खाद्य  
निगम



FOOD  
CORPORATION  
OF INDIA

मुख्यालय

नई दिल्ली

Head Quarters  
New Delhi

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16-20, BARAKHAMBA LANE, NEW DELHI - 110001, PHONE: 011-43527697, 43527698

No. Fin-19/T-99/2013/Pt. III

Dated: 23.12.2013

To  
The Dy. General Manager (Accounts),  
Food Corporation of India,  
Regional Office,  
Punjab,  
Chandigarh.

Subject: Clarification on deduction of TDS by FCI from this supervision charges and supervision plus services (PMS) under PEG Schemes.

Sir,


May please refer to Letter No. F.11(Service Tax)RTI/2011-12 dated 17.09.2013 received from Regional Office Punjab regarding the subject cited above.

The matter has been taken up with our Tax Consultant, Shri Harsh Kapoor. His views on the subject are as follows:

*"The Corporation is reimbursing the rent by way of separate bill and supervision and preservation services are charged separately in separate bills as such the Provision Section 194-C will be applicable on the supervision and preservation services rendered by the contractors".*

The copy of opinion of our Tax Consultant is attached herewith for your reference.

Encl: As stated above.

  
(Akshay Vishal)  
GM (Finance)

  
M. C. Patil

Read on  
3/12/2013

Consultant

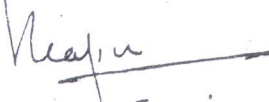
Section 194-J deals with deduction of tax at source on Fees for Professional Service, Fees for technical services and Royalty

The term "fees for Technical Services" is defined in Section 9 of the Income Tax Act.

The definition of term is very wide. However in a judgement it has been observed by the Hon'ble Court that "In the modern day world, almost every facet one's life is linked to science and technology inasmuch as numerous things used or relied upon in every day life is the result of scientific and technological development. Every instrument or gadget that is used to make life easier is the result of scientific invention or development and involves the use of technology. On that score, every provider of every instrument or facility used by a person cannot be regarded as providing technical services."

Keeping in view the above, services of supervision and preservation can not be treated as technical fee as such will not be covered under the provision of Section 194-J.

The Corporation is reimbursing the Rent by way of separate bill and supervision and preservation services are charged separately in a separate bills as such in our opinion the provision Section 194-C will be applicable on these supervision and preservation services rendered by the contractors.

  
CA HARISH KAPOOR  
05.12.2013