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(O&M No: 655)  
Accounts Section

<u>rfc</u>	RAJASTHAN FINANCIAL CORPORATION UDYOG BHAWAN TILAK MARG JAIPUR-302 005
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Ref.No. RFC/F-11(222)468

Dated:- October 30,2006

C I R C U L A R

**IMPORTANT**

Reg:- Information regarding details of Service Tax & Education Cess

Attention is invited towards PG Circular No. 1153 dated 19.06.2006 and PG circular No. 1162 dated 12.10.2006 issued by the Loans Section and circulars dated 18.01.06 and 26.06.06 issued by the Accounts Section prescribing the norms with regard to service tax to be collected from the loanee and furnishing of details to HO(Accounts Section) for timely deposition of the service tax with the Central Government.

Looking to the exigency of the matter, the branches have been advised vide circular letter dated 29.07.2006 to furnish the details of the service tax and education cess collected from the borrowers in the preceding month on the first day of subsequent month through **fax** positively. However, the information of service tax as otherwise required shall continue to be furnished in the prescribed format so as to reach us on or before 3<sup>rd</sup> of subsequent month positively in order to avoid delay in deposition of service tax.

It has been observed that the branches are not adhering to the directions issued by the Head Office in strict manner and not furnishing the information in time resulting into delay in deposition of service tax in time and leaving room for levy of interest and imposition of penalty as per the provisions of the Service Tax Act.

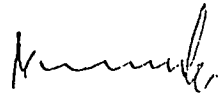
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At the cost of the repetition, it is made clear that, in the RFC's context, the activity of "lending" has been brought under the ambit of Service Tax Act and the processing charges, application fee etc. being collected by the Corporation from the borrowers are chargeable for the purpose of service tax. It is again made clear that if penalty or interest is levied by the Central Government due to non-deposition of service tax in time the concerned branch office will be held responsible and recovery will be effected from the erring branch.

It is, therefore, again advised that the details of service tax and education cess collected by the Corporation from the borrowers in the preceding month should be sent to HO(Accounts) positively on the first day of subsequent month through **fax/e-mail** in addition to the information otherwise required to be furnished in the prescribed format on or before 3<sup>rd</sup> of subsequent month.

All concerned are advised to make a note of above and ensure strict compliance.



(R.S. GUPTA)

General Manager(Accounts)

Copy to:-

- All RO/BO/SO