

**MUTHIALPET CIRCLE**  
 No: .....  
 Date: .....

**OFFICE OF THE**  
**SUPDT. OF POLICE (EAST)**  
 2150/SVE/Ge/16  
 20/4/16

GOVERNMENT OF PUDUCHERRY  
 DIRECTORATE OF ACCOUNTS & TREASURIES  
 PUDUCHERRY

No.DAT/B&A(OW)/2016-17/471

Puducherry, dated 26-04-2016

**CIRCULAR**

Sub: DAT – B&A – Collection of Service Tax from PLI Insurants – Reg.

- Ref: 1. Lr. No.29-09/2013-LI/Ser.Tax/Sales Tax dated 23-12-2014 of Ministry of Communications and Information Technology, Department of Posts, New Delhi.  
 2. Lr. No.LI/Service Tax/15-digs dated 04-02-2016 of office of the Chief Post Master General, TN Circle, Chennai.

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The Government of India, Ministry of Communication and Information Technology, Department of Posts, New Delhi has communicated the decision of the Competent Authority to collect the Service Tax on insurance premium from all PLI and RPLI policy holders with effect from 01-01-2015. Based on the letter referred vide reference 1<sup>st</sup> cited above, the Service Tax is to be collected from the PLI policy holders. The period and rate to be deducted from the policy holders are as detailed in the letter cited vide reference 2<sup>nd</sup> above, the extract of which are furnished below:

| Sl. No. | PERIOD                   | RATE OF SERVICE TAX  |
|---------|--------------------------|--|
| 1.      | 01.01.2015 to 31.05.2015 | 3.09% on first year premium from date of acceptance and 1.545% on subsequent premium.                          |
| 2.      | 01.06.2015 to 14.11.2015 | 3.50% on first year premium from date of acceptance and 1.75% on subsequent premium.                           |
| 3.      | From 15.11.2015          | 3.50%+0.12%=3.62% on 1st year premium from date of acceptance<br>1.75%+0.6%= 1.81% on subsequent year premium. |

(PREMIUM+SERVICE TAX +SWACHH BHARAT SHOULD BE SHOWN SEPERATELY)

2. The DDOs are requested that the contents of this circular may be brought to the notice of the PLI policy holders of their departments and arrange to recover the Service Tax prescribed by Government of India from the insurants. The deduction of the service tax for the period from 01-01-2015 to 30-04-2016 may be recovered from the salary for May, 2016.

*All S.Os/c.e. Muthialpet for mlg*

**INSPECTOR OF POLICE**  
**MUTHIALPET CIRCLE**  
 PUDUCHERRY

To  
 All DDOs, Puducherry/Karaikal/Mahe/Yana

Copy to:

**SUPDT. OF POLICE (EAST)**  
**PUDUCHERRY**

*S.P.*  
 (S. PUNIDHAVALLI)  
 DIRECTOR

*26-4*

*30/4/16*



GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY  
DEPARTMENT OF POSTS

201 CHIEF GENERAL MANAGER, POSTAL LIFE INSURANCE DIRECTORATE, NEW DELHI 110 021.

25-61/2013-II/Ser.Tax/Sales.Tax. dated 23/12/2013.  
Circular of circles (By name)

Subj: Collection of Service Tax from all PLI/RPLI Insurants, (except J & K) w.e.f. 1/1/2015.  
Ref: PU/Delhi No. 29/29/2004 (1) dt 1/10/2007 (copy enclosed).

Attention is invited to the above circular in which recovery of service tax from individual policy holders was suspended from 1/11/2007 and the decision of Postal Services Board to treat the liability on Service Tax from the PLI Fund/RPLI fund was communicated.

The issue has been re-examined in the light of ever increasing out-go from the PLI Fund / RPLI fund, IRDA guidelines issued to indicate separately the amount of premium and service tax collected from individual policy holder and also collection of service tax by LIC and other insurance companies from their policy holders. It has now been decided by the Competent Authority to collect the Service Tax on insurance premium from all PLI & RPLI policy holders w.e.f. 01/01/2015.

1. The Service Tax @ 3.09% (including education and higher education cess) of the gross premium during the first year and @ 1.545% (including education and higher education cess) on subsequent years i.e. second year onwards (rounded off to nearest rupee) is to be collected from the Policy Holders separately and a consolidated receipt issued for the total amount i.e. premium + service tax.

2. The service tax is to be collected every time the premium is collected, be it monthly, quarterly, half yearly or annually at the rates cited above. Insurants who pay the premium in the form of cheque (s) should be advised to include the service tax component also at the above prescribed rate in the value of the cheque.

3. All concerned may please be instructed to collect the above mentioned service tax and show the same separately in the receipts issued to the PLI/RPLI policy holders. At the end of the day, the PO records should indicate the premium collected and service tax collected separately in all their accounts and consolidated accordingly. In all the returns to Postal Accounts Offices and DPLI Kolkata pertaining to PLI and RPLI these two components should be correctly reflected to facilitate amount collected and amount depicted in departmental accounts and further book adjustment with the Service Tax Department.

4. P.O. Mysore is also being advised to make necessary changes in the Meghidoot software and NIC Delhi in the respective module of its software.

Service.

5. All DDOs who deduct the premium from the salary of their employees should also add the Service Tax component and recover the same every month and indicate in all their records. DAP Offices and DPLI Kolkata will reflect the collections under respective heads.

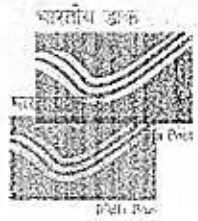
6. Prominent notices across the post offices about this be exhibited for the information of policy holders/customers of PO. If found necessary, Head of the Circle may issue Press Release to bring this to the notice of regular customers. Customers in rural areas should be made aware of this levy, politely by the departmental/GIS employees so that no adverse impact is created by collection of the service tax which is a tax levied by Union Government and not by Department of Posts.

7. This communication may be circulated among all concerned.

(Vishvapavan Pati)  
Chief General Manager

Copy to:

1. PPS to Secretary (P) and all Members
2. CGM (BD & M Dte)/CIO & Director Investment Dn. Mumbai
3. All DDGs/Directors in Postal Dte
4. All Heads of Circles/Regions/
5. DPLI Kolkata will intimate all PAOs of other ministries and departments whose salaries are received by book transfer.
6. All GMs (Finance)/Director Postal Accounts Offices
7. All PTCs
8. All officers in PLI Dte
9. Section Officer PLI Dte to circulate within PLI Dte



भारतीय डाक विभाग/Department of Posts

मुख्य पोस्टमास्टर जनरल का कार्यालय, तमिलनाडु परिमंडल, चेन्नई 600002  
O/o the Chief Postmaster General, TN Circle, Chennai 600 002

To :  
The Postmaster General,  
Western Region,  
Coimbatore 641 002

The Postmaster General,  
Chennai City Region,  
Chennai 600 002

The Postmaster General,  
Southern Region,  
Madurai 625 002

The Postmaster General,  
Central Region,  
Tiruchirapalli 620001

The Director  
PTC Madurai 625 022/Foreign Post, Chennai 600 001

The General Manager (PA & F)  
Tamilnadu Circle, Chennai

LI/Service Tax/15-dlgs dated at Chennai 600 002, 04/02/2016

Sub : Collection of Service Tax from PLI/RPLI Insurants - reg

Ref : This office e-mail dated 31.12.2014, 1.6.2015 8.09.2015 and 18.11.2015

Kindly refer to this office e-mails cited above wherein the instructions regarding collection of service Tax towards PLI/RPLI premium with effect from 1.1.2015 were communicated.

During inspection by Audit, objections regarding non collection of service tax has been raised in-respect of cash/pay policies.

On verification it is ascertained that recovery of service tax is not made till date in some units along with the premiums. As a course of action simultaneous recovery of service tax is likely

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C.I. Muthialpet



to result in levy of Penal Interest by Department of Revenue. It is requested to ensure that service tax is recovered from all policy holders.

It may also be ensured that service tax in arrears is collected from the insurant when service requests are compiled with.

Copies of PLI Directorate letter No. 29-9/2013-LI/Ser.Tax/Sales Tax dated 23.12.14, 24.2.15, 27.5.2015 and No. 19-9/2013-LI dated 13.11.15 and 16.11.15 are sent herewith for ready reference.

PERIOD

RATE OF SERVICE TAX

1. 1.01.2015 to 31.05.2015 : 3.09% on first year premium from date of acceptance and 1.545% on subsequent premium
2. 1.06.2015 to 15.11.2015: 3.50% on first year premium from date of acceptance and 1.75% on subsequent premium.
3. From 15.11.2015 : 3.50%+ 0.12%= 3.62% on first year premium from date Of acceptance  
1.75%+0.6%= 1.81% on subsequent year premium.

(PREMIUM + SERVICE TAX+ SWACHH BHARAT SHOULD BE SHOWN SEPERATELY)

This has the approval of competent Authority.

Encl : As above

सहा. मंडल प्रबंधक (डा जी वी)  
Asst. Divisional Manager (PLI)  
मुख्य पोस्टमास्टर जनरल कार्यालय  
O/o the Chief Postmaster General  
तम्र परिमंडल/T.N. Circle,  
Chennai 600 002

Copy to :

1. The Chief Postmaster Anna Road HPO, Chennai 600 002/Chennai GPO, Chennai 600 001
2. All SSPOs/SPOs/SSRMs/SRMs/PSDs/CSDs/CPCs in Tamilnadu Circle.
3. The Executive Engineer, Postal Civil , Chennai 600 008
4. The Sr. Accounts Officer, O/o Chief Postmaster General, Tamilnadu Circle, Chennai 600 002.

सहा. मंडल प्रबंधक (डा जी वी)  
Asst. Divisional Manager (PLI)  
मुख्य पोस्टमास्टर जनरल कार्यालय  
O/o the Chief Postmaster General  
तम्र परिमंडल T.N. Circle, Chennai 600 002