तार
Gram: 'फूडकार्प'
'FOODCORP'
कक्ष: टेलेक्स/फैक्स एनडी
Fax No.: HFCI ND
00911123413241
00911123413103

भारतीय खाद्य निगम
FOOD CORPORATION OF INDIA
ISO 9001:2000 CERTIFIED

मुख्यालय
नई दिल्ली
Head Quarters
New Delhi

१६-२०, बाराखम्बा लेन, नई दिल्ली-११०००१, दूरभाष-२३४१३८७१-२३४१४८७२-२३४१४८८०
16-20, BARAKHAMBA LANE, NEW DELHI-110001, PHONE: 23413871-23414872-23414880

No. E-4(41)/PEG-08/Stg.IV/2010/Pt.I/Vol.IV/8498 to 8537 Dated: 15.07.2013

The General Manager (R),
Food Corporation of India,
Regional Office, Hyerabad/ Patna/ Raipur/ Ahmedabad/ Panchkula/
Shimla/ Jammu/ Ranchi/ Banglore/Trivendram/ Bhopal/ Mumbai/
Bhubneshwar/ Chandigarh/ Jaipur/ Chennai/ Dehradun/ Lucknow/ Kolkata.

Sub: Deduction of TDS by FCI from the rental bills of godowns constructed under PEG Scheme.

Ref: 1. HAFED letter No. Hafed/PEG/8014-16 dated 28.05.2013 &
2. MD, Pungrain's DO letter No. AS-1(PEG-Deduction)2013/17 dt. 11.06.2013.

Sir,

It has been reported by nodal agencies in Punjab & Haryana that some district offices in Punjab & Haryana are making dedcution of TDS @ 10% on the reimbursement of rentals as well as service charges from nodal agencies while making reimbursement of rental bills of godowns constructed under PEG Scheme. Nodal Agencies further deduct another 10% TDS before disbursing to private investors. As a result, investors who are entitled to get 90% of the rent after 10% TDS deduction, are getting only 81% due to double TDS deduction.

The issue has been examined in Hqrs in consultation with finance division which had also solicited the opinion of Tax Consultant and it is clarified that FCI will not make TDS deductions on **reimbursement** of rentals to nodal agencies for PEG godowns hired on lease and also lease with services. The reimbursement aspect will also be properly incorporated in the agreement between nodal agency and FCI. However, TDS will be deducted by FCI on supervision charges in case of lease only godowns and Supervision plus Services (PMS) charges in case of lease with services, payable to the nodal agency for which nodal agencies should produce a separate bill.

It is therefore requested to take necessary actions in this regard.

Yours faithfully,

15/7/13

(Vijay Parashar)
General Manager (S&C)

Copy to: -

1. The Executive Director (Zone), FCI, Zonal Office, Noida/ Kolkata/ Mumbai/ Chennai/ Guwahati. .... alongwith enclosures with request to take necessary action to avoid such instances in future.
2. Managing Director, All nodal agencies under PEG Scheme.

General Manager (S&C)