

**Indian Institute of Technology Delhi
Industrial Research and Development Unit**

No. IITD/IRD/M-151/ 2798

Date: 30-3-12,


Subject: New Service Tax Rates applicable for Consultancy Jobs from 01-April-2012

As we are aware that in the Budget presented on 16th March 2012, Central Government has raised the Service Tax effective percentage from 10.3% to 12.36%. The same is proposed to be effective from 1st April 2012.

This is to therefore inform that any payments received under Consultancy Jobs on or after 01-April-2012 will attract Service Tax at the increased rate.

1. It is requested that new Consultancy Job proposals be submitted in IRD with a provision of 12.36% Service Tax. In case, older rates have already been negotiated, kindly raise additional demand to the concerned client organization before forwarding the proposal to IRD.
2. Further, the Service Tax is now need to be deducted in a single installment on the total contracted amount and not on the part payment received, hence the client has to be requested to deposit Service Tax in full (applicable on total contracted amount) alongwith first installment of consultancy charges.

This issues with the concurrence of the Competent Authority.


(V.K. Vashistha)
AR (IRD)

Distribution:

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