



JALANDHAR CHAMBER OF INDUSTRIES & COMMERCE (Regd.)

Chairman

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Date: 24th September, 2015

PRESS NOTE

SUB: - JCIC STRONGLY CONDEMNS THE LEVY OF INFRASTRUCTURE CESS.

Jalandhar Chamber of Industries & Commerce (Regd) organizes a Press Conference to register their resentment against the levy of infrastructure cess to the tune of 5% on energy bills of all consumers. Actually Punjab Govt. planned increase the electricity duty from 10% to 15%, but named it infrastructure cess which is totally unfair & unjustified to the people of Punjab.

Govt. knows very well that nowadays the business is quite slow. Industrial production have gone tremendously down. There is no customer in the market either for Industry or Traders or Reality Business. Till now industry and trade couldn't come out of the burden of entry tax which State Govt. imposed on almost all Industrial Inputs and crores of rupees have gone to the treasury. Now neither Industry nor traders or any common man will accept the increase in the Electricity Duty in the name of Infrastructure Tax. It is not out of place to mention here:-

- a) That PSPCL can not collect the infrastructure cess because PSPCL never uploaded the infrastructure act on their website from which consumers should come to know that how and why this cess is being imposed on them.
- b) PSPCL determine their energy selling rate only after considering 20% ± cross subsidy, wages of their employees and adding their infrastructure expenses. Hence infrastructure expenses of Powercom are already included in the cost.
- c) Coal is the major raw material of Powercom and they pay 10% VAT on the purchase of Coal to the State Govt. which is included in the cost. And on sale of energy to the consumer Powercom charges Electricity Duty @13%, VAT @10% and octroi @2%. Technically Punjab Govt. should refund VAT to the Powercom charged on the Purchase of COAL. And it shouldn't be included in the selling rate of electricity.
- d) That Electricity is the major raw material of Industry. And again VAT charged in the energy bill should be refunded to the Industry. Also this is a matter of double VAT collection on Electricity bills. Now we ask the Govt. when already industry paying tax to the tune of 25% on bills, how you can impose another Jajia Tax in the name of infrastructure cess.

Cont. Page 1 of 2



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Page – 2

Through press we would also like to float message to the State Govt. that JCIC protest in advance against the **forthcoming levy of cow cess and the levy of another cess in lieu of water & sewerage charges**. If it is done it will prove to be great blunder of the State Govt.

Now JCIC in one voice request the State Govt. to abolish the infrastructure cess and do not levy any cow cess & any other cess through back door (Energy Bills). And if our demand is not accepted within within 15 days we will file a suit against the Govt. And Govt. must be prepare to see the effect of these taxes in the forthcoming assembly elections.

Thanking you,

With regards,

For Jalandhar Chamber of Industries & Commerce (Regd)

Charanjit Singh Maingi
Gen. Secretary
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Narinder K. Sehgal
President

Manmohan S. Kalsi
Chairman