

Bharat Sanchar Nigam Limited



(A Govt. of India Enterprise)
Corporate Office, Taxation Section
1st Floor, Bharat Sanchar Bhawan
Janpath, New Delhi-110 001.

No. 1001-06/2005/Taxation/BSNL/SAL-IT/ACC.PERQ/ 716 Dated: 21st Aug'2007

To,

Heads of All Telecom Circles / Metro Districts / Maintenance Region/ Project Circles / Task Force/ Data Network/ NCES/ ALTTC/ BRBRAITT/ NATFM/ QA/ T&D/ Telecom Stores/ Telecom Factories/ CPAO (ITI Bills)/ TCO, Kolkata / IT Circle, Pune.

Sub: Valuation of Perquisite of Accommodation in respect of BSNL Employees in occupation of Staff Quarters for the purpose of Income Tax reg.

Decision of the Management Committee of BSNL on the subject was communicated vide this letter no. 1001-06/2005/CA-III/51 dated 17-03-2006(copy enclosed). In the said letter the circle units were requested to obtain an undertaking from all concerned employees that the payment of tax including interest and penalty would be paid by them in the event CBDT decides contrary.

Now by the Finance Act-2007, deeming clause has been provided in the matter of rent of accommodation provided by employer to employees and hence Income Tax is deductible on perquisite of accommodation with retrospective effect. Since it is the responsibility of the employer to deduct tax at source, it has been decided that BSNL will pay the Income Tax on perquisite of accommodation for all the past years (A.Y. 2002-03 to 2006-07) upfront to the Income Tax Authorities on behalf of the employees which will then be recovered from the employees in suitable instalments.

Hence you are requested to calculate immediately the amount of Income Tax to be paid for the past years on the perquisite of accommodation and intimate the total amount payable for your circle, year wise alongwith no. of employees affected, to this office by 10-09-2007.

Depending payment of the amount to Income Tax Authorities