


CORPORATE OFFICE TAXATION SECTION 1 ST FLOOR, BHARAT SANCHAR BHAWAN, JANPATH, NEW DELHI-110001		BHARAT SANCHAR NIGAM LIMITED [A Government of India Enterprise]
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No.1001-06/2005/Taxation/BSNL/SAL-IT/ACC.PERQ//49 Dated: 19th March, 2008

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/R&P C.O.**

**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 BSNL Board is hereby conveyed that BSNL will bear the Income Tax liability on perquisite of accommodation provided to BSNL employees either rent free or licence fee recovery basis for the F.Y.2001-02 to 2007-08.

The approval is subject to the condition that if any clarification or otherwise is received from CBDT that BSNL may bear the tax liability only as limited u/s 192, then the said difference will be recovered from the employees.

In view of the above, the following instructions may kindly be followed:

1. The total tax liability on perquisite of accommodation may be calculated for F.Y.2001-02 to 2007-08 and the same be paid to Income Tax department by 31-03-2008 by the concerned DDO of BSNL. While calculation of Income Tax liability, provisions of section 89(1) may be taken into account as per CBDT letter no.275/67/2007-IT (B) dated 12-11-2007. The amount so paid by BSNL on behalf of employees will be covered u/s 10(10cc) of the Income Tax Act-1961.
2. Queries have been received regarding tax already recovered & paid to Income Tax authorities by BSNL in the year 2007-08. The Income Tax provisions do not permit refund, by BSNL, the amount already deposited to Income Tax authorities.

Contd.....2

-Page2-

3. Form-16 may be correctly issued to the employees & sl.no.18 of form-16 should clearly be bifurcated and shown as below :
 - (a) Tax deducted at source u/s 192(1);
 - (b) Tax paid by the employer on behalf of the employee.
4. Present DDO will pay the tax on perquisite of accommodation in respect of working employees and employees presently working but had been in other accounting units during the period pertaining to F.Y.2001-02 to 2007-08. The perquisite value may be calculated based on the information available in the form-16 of the past period which can be had from the concerned employees or from the DDOs where they had been working. In addition to existing employees, the payment of tax on perquisite of accommodation is allowed in case of retirement/expiry also.
5. Regarding employees of deemed deputation/deputation letter of this office of even no. dated 25-02-2008 may be referred to and payment of perquisite tax to Income Tax authorities may be withheld till further orders.

Copy of this letter is endorsed to CA section to issue accounting instructions and for further necessary action.


(Arundati Panda)
DDG (Taxation)

Copy to:-

1. DDG (CA) for information and necessary action.