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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

No.: 24-22/2010-NWO(CFA)/IN

Dated: 22 .02.2011

To

**The Chief General Managers,
All Telecom Circles/Districts
BSNL**

Subject: Revision of commission structure to Post Offices for selling of pre-paid IN products.

The competent authority has been decided for revision of commission to Department of Post for selling BSNLs fixed line prepaid IN products. The revised commission applicable to Post Offices with immediate effect is mentioned below:-


S.No.	Existing commission applicable to Post Office	Revised commission applicable for selling of ITC cards to Post Office(Government)
1	75% of the franchisee's commission (prescribed vide letter No. 64-86/09-S&M-CFA-(pt-I) dated 13.07.2010)	100 % of the franchisee's commission

Further following guidelines related to taxation point of view may kindly be noted and implementation of same must be ensured without fail.

As per section 196 of the Income Tax Act 1961 "No deduction of tax shall be made by any person from any sums payable to the Government hence the amount of commission payable to Post Offices (Government) is covered under section 196 of Income Tax Act 1961. Therefore TDS is not applicable on such commission payable to Post Offices.

Director (CFA) has desired that all out are efforts are required to persuade Post Offices to sell BSNL ITC cards especially in those areas where there is no franchisee distribution network.

The status of same may kindly be sent to this office by 01.03.2011.


(SANJAY KUMAR)
DGM (NWO-II) CFA

Copy to:-

1. Sr. GM (BB-NWP) CFA, BSNL Corp. Office
2. GM (Finance) CFA, BSNL Corp. Office
3. GM (Taxation), BSNL Corp. Office
4. GM (NWO-CFA), All Telecom Circles