

Sales & Marketing-CM

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भारत संचार निगम लिमिटेड

BHARAT SANCHAR NIGAM LIMITED

No-27-9/2009-Sales&Mktg-CM (Pt.-III)

Dated- 13.04.2011

Subject: Minutes of meeting held by Director (CM), BSNL with National BSNL Franchisee Association on 07.04.2011 at 12:00 Hrs at 3rd Floor of BHARAT SANCHAR BHAWAN New Delhi

The meeting started with the Welcome Address by Director (CM) and showed his concern about problem related to TDS / Service tax etc. He stated that BSNL value the relationship with all the franchisees/ retailers, but all have to follow the Govt. Instructions either from Income Tax department or Service Tax department. The discussion on agenda points was as below:

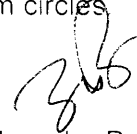
1. Deduction of TDS from BSNL franchisees :

In accordance with the guidelines from the Income Tax department, the issue regarding deduction of TDS from BSNL franchisee w.e.f. 01.04.2011 was discussed.

Since, as per Income tax guidelines it is not possible to defer the deduction of TDS, NBFA requested to give in undertaking for deposit of TDS as per the outcome of the Hon'ble Supreme Court decision filed by other telecom operators. Taxation wing will examine the matter of undertaking from BSNL franchisee in consultation with TAX Advisor/Consultant.

BSNL is open to consider other suggestions within the framework of laws. BSNL would also welcome any other suggestions to meet the competition.

- 2. Service Tax :** The copy of old letters related to service Tax has been given by DGM (Taxation) to franchisees
- 3. E-PIN franchisee:** The matter of cross-selling through e-PIN franchisee will be examined by a committee of JAG level officers after taking the views of e-PIN franchisee as well as BSNL franchisee.
- 4. Penalty by Term cell:** The matter was discussed and opinion was that while taking the CAF from the customer, it must be completed with all the proofs and proper signatures. The issue will further be examined based on feedback from circles.



(Upendra Bakolia)
DGM (Sales & Mktg.)-CM

To:

1. Dir(CM) BSNL CO
2. CGMs, All Telecom circle/District
3. GM (Taxation) BSNL CO - for seeking opinion on attached issues as above.
4. GM(EF&T) BSNL CO
5. GM(NWO-CM) BSNL CO
6. President of NBFA