

CORPORATE OFFICE, TAXATION SECTION
1ST FLOOR, BHARAT SANCHAR BHAWAN
JANPATH, NEW DELHI-110 001



BHARAT SANCHAR NIGAM LIMITED
[A Government of India Enterprise]

No.1002-15/2011-12/Taxation/BSNL/Pt.I/ 564

Dated: /05/2013

03.06.2013

To
The Chief General Manager,
Tamil Nadu Telecom Circle,
Chennai- 600 002.

Sub: Applicability of Exemption clause from payment of service tax for contractors of works contract involving taxable services of aggregate value not exceeding Rs. 10 lakhs in any financial year- clarification regarding.

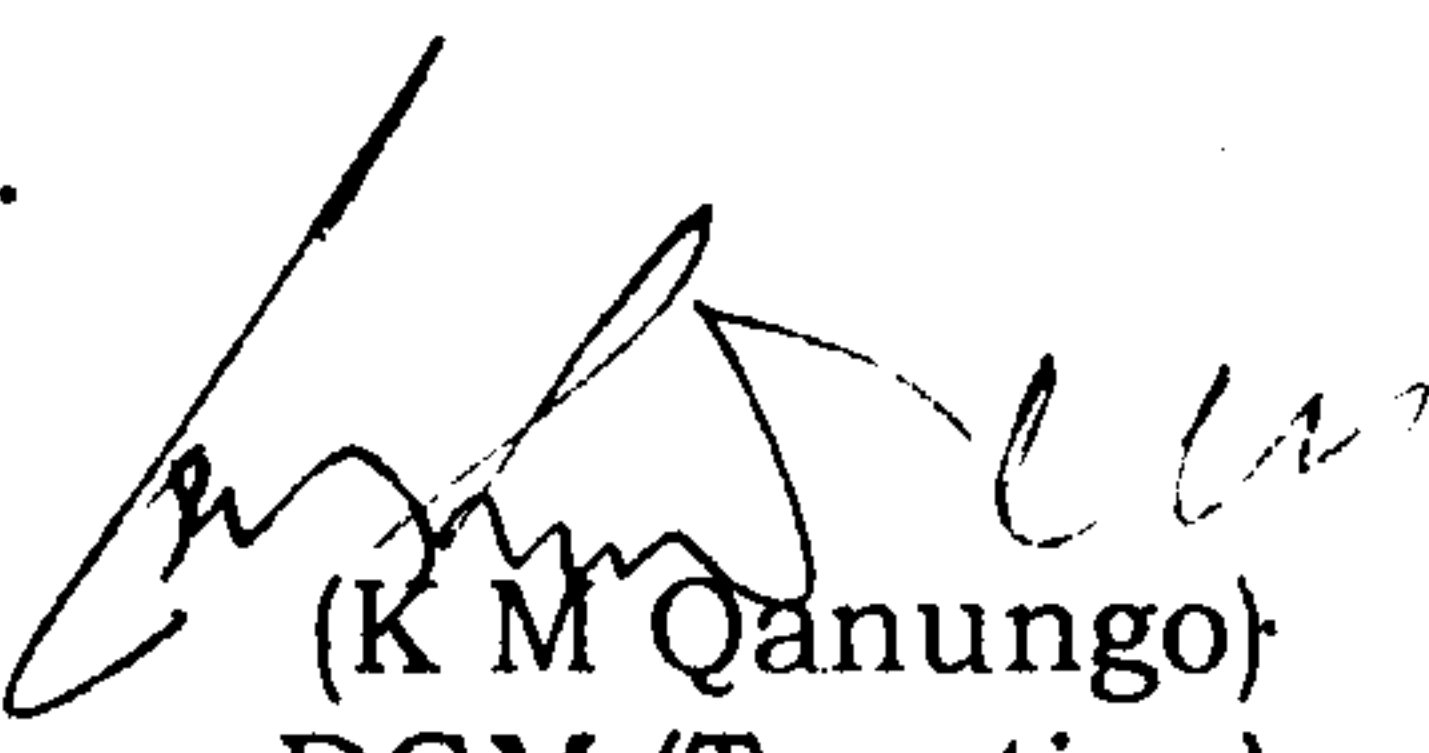
Ref.: - Your office letter no. TAX/Point of Taxation/2012-13/60 dated 19.04.2013.

Kindly refer to your office letter cited under reference received from DGM F(Plg.& Tax) of your office seeking clarification concerning above mentioned subject.

In this connection, it may be intimated that partial reverse charge mechanism is applicable to the works contractors in respect of services provided or agreed to be provided in service portion in execution of works contract **including those whose aggregate taxable turnover does not exceed Rs. 10 lakhs in any financial year.** The liability of Service Provider and Service Receiver are different and independent of each other.

Thus, in the instant case, BSNL is required to pay the 50% of the service tax being service recipient as per Sl. No. 9 of Table under Para no. II of Notification no. 30/2012-ST dated 20.06.2012 issued by Department of Revenue, Ministry of Finance, Government of India, irrespective of the fact that service provider is availing exemption owing to aggregate taxable turnover not exceeding Rs. 10 lakhs in any financial year.

This issues with the approval of GM (Taxation), BSNL C.O.


(K M Qanungo)
DGM (Taxation)

Copy for information and necessary action to the Chief General Managers of :-

1. All Telecom Circles/ Metro Telephone Districts/Maintenance Regions/ Project Circles
2. Task Force/ Data Network/ NCES/QA/ T&D/ Telecom Stores/ Telecom Factories/ CPAO (ITI Bills)/ IT Circle, Pune
3. ALTTC/BRBRAITT/NATFM
4. All PGMs/Sr. GMs/GMs, BSNL CO