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

**TNC/CA-I/Closure of Accounts//2012-13/**

**Dated at Chennai the 11.03.2013**

**To**  
The DGM(TR)  
O/o CGM, TN circle,  
Chennai 600002.

Sub:Availing and utilizing of Service Tax paid on commission paid to post office for  
TR collections centrally at Circle office – reg  
Ref: 1.U.O Note No.TR/1-237/2012-13/37 Dt.20.12.2012  
2.U.O. Note No.TNC/CAI/Closure of Accts/2012-13 Dt.10.01.2013

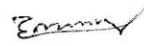
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Kind reference is invited to the subject cited above. In this regard, the legal opinion obtained from M/s Swamy Associates, Chennai is enclosed for kind information.

The major points are given below:

1. The service tax on the commission paid to Department of Posts is directly payable by BSNL under reverse charge basis, from 01.07.2012.
  - a) Hence, as per the above provision, DoP may be asked NOT to charge Service Tax on commission.
  - b) Separate sanction shall be passed for the service tax liability to be borne by the service receiver i.e. BSNL. In this regard BSNL, Corporate Office Circular No. CA-296 Dt.08.02.2013 may be followed. (available in TN Intranet Dt.15.02.2013).
2. Vellore SSA shall register as 'Input Service Distributor' with Central Excise Dept. for the Distribution of Service Tax input Credit to the SSAs concerned. Also file Service Tax Return in this regard along with regular return.

This issues with the approval of PGM(Fin).

  
**Dy. General Manager(CA)**  
O/o Chief General Manager  
BSNL, TN Circle, Chennai-2.

Encl:As above

Copy to:  
DGM(Fin), Vellore SSA : for information and n/a please.  
DGM Fin(Plg&Tax), Circle Office- for information please.  
DGM(Fin)/IFA of all SSAs-for information and n/a please.