

BHARAT SANCHAR NIGAM LIMITED
(Government of India Enterprise)
(BW Unit: Corporate Office)
Telegraph Office Building, Kashmere Gate, Delhi-110006

No. 482-16/2007-BG

Dated: 31.05.2012

To
Manager(ERP-HR)
O/o General Manager(ERP)
ERP Centre, AL TTC Campus,
Ghaziabad-201002

Sub: Valuation of Perquisite for the vacant staff quarters allotted to family members of employees in BSNL

Ref: Your office letter no. ERP-HR/Misc/11-12 dated 10.02.2012

Please refer to your office letter under reference wherein it has been requested to clarify whether as per office memorandum dated 01.09.2011, accommodation allotted to employee is on concessional basis or not for the purpose of valuation of perquisite on accommodation.

In this regard, I have been directed to intimate you that the accommodation is not to be allotted concessional basis and to be allotted on normal rate indicated in Annexure 'A' (Copy enclosed). Perquisite may be evaluated as communicated by BSNL CO letter No: 1001-06/2008/taxation/sal.IT/Acc.Per/ Dtd: 08.02.2012 (copy enclosed)

Dev Dutt
31/5/2012

(DEV DUTT)
AGM(BG)

Copy To:
All CGMs BSNL Units for information please.

CORPORATE OFFICE, TAXATION SECTION
1ST FLOOR, BHARAT SANCHAR BHAWAN
JANPATH, NEW DELHI 110001

Ph.No.011 23037306/23734087

Fax : 011 23718886



BHARAT SANCHAR NIGAM
LIMITED

[A Government of India
Enterprise]

F.No.1001-06/2008/taxation/Sal.IT/Acc.Perq/

dated: 30.01.2012

To
Manager(ERP-HR)
O/o GM(ERP)
ERP Centre,ALTTC campus
Ghaziabad 201002

9/2/2012

**Sub: Valuation of Perquisite for the vacant Staff quarters allotted to family member
Of employee in BSNL-Clarification-reg**

Ref: Your office letter No ERP-HR/Misc./11-12/ dated 10.01.2012

Kindly refer to the letter dated 10.01.2012 on the subject cited above. Clarification has been sought in the matter of valuation of perquisite for the accommodation provided to the employee for use of their family at the place other than the place of posting.

The clarification on the doubts pointed out by HR-Core team has been explained as below:

1. The clarification on whether accommodation is provided on concessional basis or not can be sought from BW Unit Corporate Office. It is not clearly mention in the Memorandum issued vide M.5.482-16/2007-BG approving the amendment in the existing policy to allot the vacant quarters to BSNL employees posted at other stations for the use of their family purpose that the accommodation is provided on concessional basis or not.
2. If the accommodation is provided on concessional basis then the perquisite is applicable on the accommodations mentioned at Sl No 5 & 6 of Scenario of the Annexure "I". The value of perquisite in respect of residential accommodation provided for the use of employee's family at a place other than its place of posting will be determined on the basis of S.no 2 of Table 1 of Rule 3 of the Income Tax. S. No 2 deals with the circumstances where the accommodation is provided by any other employer (i.e other than Central /State Govt employees)and where the accommodation is owned by the employer the value of perquisite is :
 - a)15% of salary in cities having population exceeding 25lakhs as per 2001 census
 - b)10% of salary if population exceeding 10lakhs but not exceeding 25lakhs as per2001 census.
 - c) 7.5% of salary in other areas.in respect of the period during which the said accommodation was occupied by the employee during the previous year as reduced by the rent, if any actually paid by the employee

Hence the value of Taxable perquisite is determined as under:

- A. Full Value of Perquisite (15%/10%/7.5% of salary as the case may be):.....
B. Less: Rent recoverable for various types of quarters as per Annexure A :
C. Less: License Fee recoverable :
D. Concessional Value of Perquisite (A-B-C) :

The concessional value of perquisite determined as per "D" for accommodation allotted to the family members at a place other than the place of posting will be included in the **total income of the employee and tax will be payable by employee himself** as per CO order AGM(BG) CO BSNL letter No. 482-16/2007-BG dated 01.09.2011.

3. If the BW Unit Corporate Office clarifies that the accommodation is provided on concessional basis then the following components will be treated as under while arriving at the concessional value of perquisite :

- i. Rent recovered from the employee will be deducted from the full value of perquisite determined as per Table 1 S. No2.
- ii. Licence fee recovered from employee will be deducted from the full value of perquisite determined as per Table 1 S.No2.
- iii. Water charges including service tax **will not be deducted** from the full value of perquisite determined as per Table 1 S. No2.
- iv. Electricity charges including service tax **will not be deducted** from the full value of perquisite determined as per Table 1 S. No2.

The above valuation of perquisite is applicable only if it is clearly clarified by the BW unit that the accommodation is on concessional basis. This is for your kind information and appropriate action at your end to regularize perquisite valuation and tax on accommodation cases.




(K.Jothi)
DGM (Taxation)

Details of Amount to be recovered for various types of Quarters from BSNL Employees/Officers working in out station

S. No.	Type of Quarter	Entitled Types of quarters on IDA pay Scale	Minimum pay on IDA Scale Rs.	Maximum pay on IDA Scale Rs.	Average pay on IDA Scale Rs.	Rent For Class 'C' Cities Rs. per month	Rent For Class 'B&A' Cities Rs. per month	Rent For Class 'A1' Cities Rs. per month	Remarks
1	I	NE. 1 to NE-4	7760	15340	11550	1155	2310	3465	
2	II	NE-5 to NE-9	8700	25420	17060	1706	3412	5118	
3	III	NE-10, NE-11, E1A & E2A	14900	46500	30700	3070	6140	9210	
4	IV	E-3, E-4 & E-5	24900	58000	41450	4145	8290	12435	
5	V-A & V-B	E-6 & E-7	36600	66000	51300	5130	10260	15390	
6	VI-A	E-9 & Above	62000	80000	71000	7100	14200	21300	
7	VI-B	E-9 & Above	75000	100000	87500	8750	17500	26250	

Notes:

1. In addition to the above License Fee, water charges, electricity charges and service tax as applicable will also be paid by the allottee.
2. In the place of E 1A, E 2A scales, the maximum pay of E 2 is taken for calculation.
3. For Type VIA, E.9 scale is taken.
4. For type VIB, BSNL Board Director's scale is taken.


 01/9/2011
 Aqm (B&A)