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

No: 1-4/EW/2013

Date: 17 .09.2013

To

All PCEs/Sr CEs/CEs (Elect)

Sub: Service Tax and CENVET Credit Rules-guidelines on preparation of bills on the basis of Work Diary/Measurement Book by Civil and Electrical wings

I am directed to enclose letter no 1002-15/2011-12/Taxation/BSNL/666 dated 09-09-2013 along with its enclosure received from DGM (Taxation) C.O for necessary action and guidance.

Encl: As above


(J.K. DUA)

A.G.M. (Elect)-I



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No.1002-15/2011-12/Taxation/BSNL/666

Dated: 07/09/2013

To
The Chief General Managers

PGM (Elect.) BSNL CO
Nash

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/BBBRAITT/NATFM

Sub.: Service Tax & Cenvat Credit Rules- guidelines on preparation of bills on the basis of Work Diary/ Measurement Book by Civil & Electrical wings.

One of the BSNL's Circles has reported that Civil and Electrical wings in the Circle follow the practice of preparing bills of the Contractors as per work diary/ Measurement book and make payments accordingly to the Contractors. The Circle has suggested that this practice of making payment on self made bills/ vouchers (by BSNL) need necessary changes to comply with Service Tax & CENVAT Credit Rules, 2004.

In this scenario, the Service Provider i.e., Contractor, has to comply with Rule 4A(1) of Service Tax Rules, 1994 while issuing invoice for the services provided by him to BSNL. Extract of Rule 4A(1) is enclosed as Annexure- 'A'.

According to Rule 4A(1) of Service Tax Rules, 1994, every person providing taxable service shall, within thirty days from the date of completion of taxable service or receipt of any payment towards the value of taxable service, whichever is earlier issue an invoice, a bill or a Challan duly signed by such person, containing the following information :-

- (i) the name, address and the registration number of such person;
- (ii) the name and address of the person receiving taxable service;
- (iii) description and value of taxable service provided or agreed to be provided; and
- (iv) the service tax payable thereon.

Compliance of Rule 4A(1) is mandatory for all the Contractors providing Services to BSNL so that Cenvat Credit against the Service Tax paid to the Contractors can be availed by BSNL as per CENVAT Credit Rules, 2004, treating the same as input Service.

It is, therefore, requested to kindly bring the contents of these instructions to the notice of all concerned for their implementation.

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

Encl: - As above

(K M Qanungo)
DGM (Taxation)

Copy for information and urgent action to:-

1. PGM (BW), BSNL Corporate Office, New Delhi.
2. PGM (Elect.), BSNL Corporate Office, New Delhi.

Kindly issue suitable instructions on the subject matter immediately to all your field formations to comply with Rule 4A(1) of Service Tax Rules, 1994, so that Cenvat Credit can be availed by BSNL as per Cenvat Credit Rules, 2004.

10668/PGM(Electch)
10/9/13

ELECTRICAL WING BSNL CO	
AGM (E) I	AGM (E) II
AGM (A&E)	PS
Dy. No.....	Dated.....

JHGH

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Extracts of Rule 4A(1) of Service Tax Rules, 1994 [Amended upto 20/06/2012]

4A. Taxable service to be provided or credit to be distributed on invoice, bill or challan –

(1) Every person providing taxable service shall, [not later than [thirty days] from the date of [completion of] such taxable service or receipt of any payment towards the value of such taxable service, whichever is earlier] issue an invoice, a bill or, as the case may be, a challan signed by such person or a person authorized by him [in respect of taxable service] [provided or agreed to be provided] and such invoice, bill or, as the case may be, challan shall be serially numbered and shall contain the following, namely :-

- (i) the name, address and the registration number of such person;
- (ii) the name and address of the person receiving taxable service;
- (iii) description and value of taxable service provided or agreed to be provided; and
- (iv) the service tax payable thereon:

[Provided that in case the provider of taxable service is a banking company or a financial institution including a non-banking financial company, or any other body corporate or any other person, providing service to any person an invoice, bill or, as the case may be, challan shall include any document, by whatever name called, whether or not serially numbered, and whether or not containing address of the person receiving taxable service but containing other information in such documents as required under this sub-rule:]

[Provided further that in case the provider of taxable service is a goods transport agency, providing service [to any person], in relation to transport of goods by road in a goods carriage, an invoice, a bill or, as the case may be, a challan shall include any document, by whatever name called, which shall contain the details of the consignment note number and date, gross weight of the consignment and also contain other information as required under this sub-rule.]

[Provided also that in case of continuous supply of service, every person providing such taxable service shall issue an invoice, bill or challan, as the case may be, within [thirty days] of the date when each event specified in the contract, which requires the service receiver to make any payment to service provider, is completed:]

[Provided also that in case the provider of taxable service is a banking company or a financial institution including a non-banking financial company providing service to any person, the period within which the invoice, bill or challan, as the case may be, is to be issued, shall be forty-five days:]

[Provided that in case the provider of taxable service is providing the service of transport of passenger, an invoice, a bill or as the case may be, challan shall include ticket in any form by whatever name called and whether or not containing registration number of the provider of service and address of the service recipient of service but containing other information in such documents as required under this subrule.]

[Provided also that wherever the provider of taxable service receives an amount up to rupees one thousand in excess of the amount indicated in the invoice and the provider of taxable service has opted to determine the point of taxation based on the option as given in point of Taxation Rules, 2011, no invoice is required to be issued to such extent.]