


<p>CORPORATE OFFICE TAXATION SECTION 1<sup>ST</sup> FLOOR, BHARAT SANCHAR BHAWAN JANPATH, NEW DELHI-1</p>		<p><b>BHARAT SANCHAR NIGAM LIMITED</b> [A Government of India Enterprise]</p>
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No: 1002-05/2011-12/Taxation/BSNL Circular/215

Dated 21-09-2011

To  
CGMs of Telecom Circles/ Metro Districts/ Maintenance Regions/ Project Circles/ Task Force/Data Network / NCES/ ALTTTC/ BRBRAITT/ NATFM/ Q&A/ T&D / Telecom Stores/Telecom Factories/CPAO (ITI Bills)/IT Circle Pune.

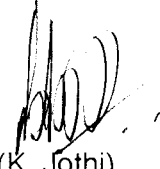
**Sub: No Sales Tax on sale of Sim card and Activation charges-  
Service Tax is applicable- reg.**

Kindly find enclosed herewith copy of judgment of Supreme Court dated Aug 4, 2011 relating to M/s Idea Mobile Communication Limited. In this judgment Supreme Court has stated that sales tax is not to be levied on value of Sim card and activation charges on Sim cards supplied by operators to the subscribers. Hence value of Sim card and Activation charges forms part of taxable value of Telecommunication service and Service Tax is levied on it.

In view of above, it is requested to circulate it to all concerned units under your control and may be produced before the State commercial authorities if sales tax is being levied/ notices are issued by them.

This issues with the approval of competent authority.

Encl: As above.

  
(K. Jothi)  
DGM (Taxation)

Copy for information and necessary action to:-

1. IFAs of all BSNL Circles.
2. ED(F) and all PGM/Sr.GM/GM of Finance wing of BSNL Corporate office New Delhi