



**No :- 482-7/2015-BG**

**Dated: 17.06.2016**

To

The CGMT,  
AP Circle,  
Hyderabad

**Sub:- Applicability of Service Tax on utilization of vacant quarters by renting for use as residence- regarding**

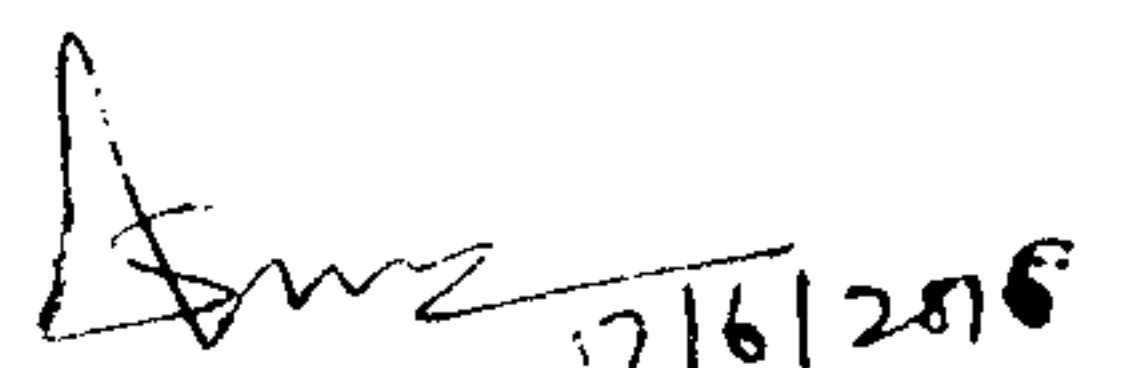
**Ref : Your office letter No. TA/BP/13-442/Vol.II/124 Dated 30.03.2016**

Kindly refer to your office letter under reference wherein a clarification on applicability of Service Tax on utilization of vacant quarters by renting for use as residence has been sought.

In this regard matter has been examined by the Competent Authority and it is clarified that Keeping in view the clause (m) of section 66D of Finance Act,1994(amended till date) service tax is not applicable when BSNL's vacant quarters are rented out for residential purpose only under scenarios (a) to (c) as detailed below:-

- a) When BSNL's vacant quarters are rented out to BSNL's working employees to whom the quarters are allotted at places other than their place of posting for use of their family members.
- b) When BSNL's vacant quarters are rented out to BSNL/DoT retired employees.
- c) When BSNL's vacant quarters are rented out to Central/State Govt/CPSUs/State PSUs and their employees etc

This is issued with the approval of competent authority.

  
(Shyam Lal Arora)  
AGM (BG)  
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Copy to:-

1. All CGMs, BSNL Units for information please.