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BSNLCO-TAXN/11(15)/6/2025-Taxation Part-I Dated: - 10-03-2026

To
The Chief General Manager/IFAs,
All BSNL Circles/Units.

Kind Attention: Circle IFA

Subject :- Instructions for Adjustment of TDS Paid on Provisions against the TDS Liability in current Financial Year and creation of TDS Provisions for FY 2025-26 –Reg.

With reference to above citied subject, kindly follow the below mentioned instructions as part of year –end activities relating to TDS Provisions.

A. Adjustment of TDS provisions created in last Financial Year against the TDS liability

1. To review all provisions made in the last financial years and adjust these provisions against current Year Liabilities.
2. Ensure these adjustments are accurately reflected in the TDS returns for the current financial year.
3. Reconcile TDS SAP GLs to ensure accuracy and consistency with financial statements and TDS returns.

Still an amount of Rs 9.76 Cr is still reflected in clearing account GL Code1311205 in SAP. Despite several communications some Circles have not adjusted the TDS provisions against the TDS liabilities in current financial year, some have not done clearing which resulted in negative balances. Circles are requested to review the provisions , adjust the TDS provision and do the clearing at the earliest and in case Provision created is beyond adjustment then reverse the same in books of accounts on priority. Circle-wise details are annexed herewith as Annexure "A". **Action taken report be submitted on or before 17.03.2026 positively**.

B. Creation of TDS Provision for FY 2025-26

1. TDS Provision:- As per Income Tax Act, TDS is to be deducted at the time of creating liability for expenses, even if payments are not made immediately .In this connection, Circles are required to create provisions as per their current process in the year end and fill the data in template downloaded from SAP. The SAP system will automatically adjust invoices received in the current year against TDS provisions made in the previous year, eliminating manual adjustments.

2. Data Preparation and Upload:-

a. Circle-wise and Business Area-wise data must be filled using the template provided.

b. Types of provisions include Open MIGO (OM), Open PO (OP), and Non-PO/FI-based (NP).

c. Mandatory fields such as Company Code, Circle Code, and Business Area etc. must be correctly filled in the template before uploading. **Refer guidance note for detailed information.**(Annexure B) .

3. SAP Process:-

a. Use SAP T-code ZEY_TDS_PROV to download and upload the provision data template.

b. Ensure input parameters match the data in the file to avoid errors during upload.

c. Uploaded data can be validated using SAP's "Display Data" option, and error logs can be downloaded for corrections if necessary.

4. Error Handling:-

Any discrepancies in uploaded data will generate an error report in SAP, which must be rectified before re-uploading.

Circles are requested to share this guidance note with Business areas, assign responsibilities for collating and uploading data as per the template and validate and rectify errors, if any, during the upload process to ensure compliance with the prescribed methodology. **This activity should be completed by 10th April 2026 positively.**

In view of the above it is requested to kindly take necessary action in respect of adjusting the provision immediately. Post adjustment the balance amount with details of to be intimated to this office for the information of the Management.

This issues with the approval of PGM (Taxation).

DGM (Taxation)
BSNL C.O.