

Taxation Section, Corporate Office  
Room No. 509, 5<sup>th</sup> Floor,  
Bharat Sanchar Bhawan, Janpath,  
New Delhi-110001  
Ph.No.011-23734077, Fax : 011-23734078  
Email:-bsnltax@gmail.com



**BHARAT SANCHAR NIGAM LIMITED**  
[A Government of India Enterprise]

No. BSNLCO-TAXN/11(15)/4/2021-Taxation/4042

Dated:- 29-01-2021

To

The General Secretary,  
All India BSNL Retired Executives Association,  
Flat No. 111, New Ashiana Apartment,  
Plot-10, Secotr-6, Dwarka,  
New Delhi.

**Sub:- CPGRAMS regarding clarification from CBDT regarding TDS deducted on reimbursement of medical claim -Reg.**


The undersigned is directed to refer to your CPGRAMS bearing registration no. PMOPG/E/2020/0924904, in this connection the following is intimated:-

(a) "Medical claim form part of salary as per Sec 17 (2) of the Income Tax Act, 1961 and Salary is chargeable to tax either on 'due basis' or 'receipt basis' whichever is earlier as per Section 15 of the Income Tax act, 1961."

(b) As per prevailing practice BSNL processes medical bills received from BSNL Retirees on a monthly basis and the same is entered in SAP for payment. In this process, TDS as applicable is being deducted by the field units and deposited within due date with the Income Tax Department. Subsequently, Return is filed for the TDS amount so deducted and the same is reflected in the 26AS of the Retirees. In the instant case, TDS was deducted and reflected in 26AS however bill continued to remain unpaid due to financial crunch faced by BSNL. There is no false claim by BSNL as once TDS is deducted it is automatically reflected in 26AS. However, BSNL is committed to clear the liability of the retirees at the earliest.

**This issues with the approval of Sr. GM (Taxation).**

(Subrat Kumar Mohakud)  
AGM (Taxation)

<b>Taxation Section, Corporate Office</b> Room No. 509, 5 <sup>th</sup> Floor, Bharat Sanchar Bhawan, Janpath, New Delhi-110001 Ph.No.011-23734077, Fax : 011-23734078 Email:-bsnltax@gmail.com		<b>BHARAT SANCHAR NIGAM LIMITED</b> [A Government of India Enterprise]
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No. BSNLCO-TAXN/11(15)/4/2021-Taxation/4041

Dated:- 29-01-2021

To

The General Secretary,  
All India BSNL Retired Executives Association,  
Flat No. 111, New Ashiana Apartment,  
Plot-10, Sector-6, Dwarka,  
New Delhi.

**Sub:- CPGRAMS regarding TDS deducted on reimbursement of medical claim -Reg.**

The undersigned is directed to refer to your CPGRAMS bearing registration no. PMOPG/E/2020/1023975, in this connection the following is intimated:-

(a) "Medical claim form part of salary as per Sec 17 (2) of the Income Tax Act, 1961 and Salary is chargeable to tax either on 'due basis' or 'receipt basis' whichever is earlier as per Section 15 of the Income Tax act, 1961."

(b) As per prevailing practice BSNL processes medical bills received from BSNL Retirees on a monthly basis and the same is entered in SAP for payment. In this process, TDS as applicable is being deducted by the field units and deposited within due date with the Income Tax Department. Subsequently, Return is filed for the TDS amount so deducted and the same is reflected in the 26AS of the Retirees. In the instant case, TDS was deducted and reflected in 26AS however bill continued to remain unpaid due to financial crunch faced by BSNL. There is no false claim by BSNL as once TDS is deducted it is automatically reflected in 26AS. However, BSNL is committed to clear the liability of the retirees at the earliest.

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