

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



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

No. BSNLCO-TAXN/11(15)/4/2021-Taxation/4402

Dated:- 22-10-2021

To

Sh. S. Basu,
111, New Ashiana Apartment, Plot-10,
Sector-6, Dwarka,,
New Delhi.

**Sub:- CPGRAMS no. DOPPW/E/2021/36173, case of Sh. Santimay Basu, GSAIBSNLREA
-Reg.**

The undersigned is directed to refer to your CPGRAMS bearing registration no. DOPPW/E/2021/36173 regarding taxability of CGHS Reimbursement.

In this connection it is intimated that, as per Section 80D i.e. deduction in respect of Medical Insurance premia, deduction is permissible, only to individual or HUF. Further, where the assessee is an individual, the deduction allowed shall be the aggregate of the following, namely:-

a) (i) the whole of the amount paid to effect or to keep in force an insurance on the health of the assessee or his spouse and dependent children or

(ii) any contribution made to the Central Government Health Scheme (CGHS)
as does not exceed in aggregate Rs. 25,000/-.

b) The whole of the amount paid to effect or to keep in force an insurance on the health of the parent or parents (whether dependent or not) of the assessee as does not exceed in aggregate Rs 25,000/-.

However, for preventive health check-up of assessee his family or his parent or parents, the maximum amount allowed shall be limited to Rs. 5,000 and such amount subject to maximum limit of Rs 5,000/- shall be within the overall ceiling of Rs. 25,000/- given in (a) or (b) above.

Additional deduction of Rs. 25,000. Where sum specified in clause (1)(a) or (b) is paid to effect or keep in force an insurance on the health of any person specified therein, and who is a senior citizen, an additional deduction of Rs. 25,000/- shall be allowed. In other words, the deduction shall be Rs. 50,000/- instead of Rs. 25,000/-.

Budget 2018 has introduced a new provision for claiming a deduction with regards to single premium health insurance policies. Under the new provision, where a taxpayer has made a

lumpsum premium payment in a single year for a policy valid for more than one year, he can claim a deduction equal to the appropriate fraction of the amount, under Section 80D.

The appropriate fraction is arrived at, by dividing the lump sum premium paid, by the number of years of the policy. However, this would again be subject to the limits of Rs 25,000 of Rs 50,000 as the case may be.

This is for your kind information and necessary action please.


(Subrat Kumar Mohakud)
AGM (Taxation)