


CORPORATE OFFICE, TAXATION SECTION 5 th FLOOR, BHARAT SANCHAR BHAWAN, JANPATH, NEW DELHI-110001 Ph.No.011-23037306/23734087, Fax : 011-23718886 Email:bsnltdsco@gmail.com		BHARAT SANCHAR NIGAM LIMITED [A Government of India Enterprise]
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BSNLCO-TAXN/11(15)/4/2021-Taxation-Part(1)/4949

Dated:- 28-04-2023

To

Sh. Balasubramanian R R,
Flat No. 6, Second Floor, 10/41, Sowrashtranagar 7th Cross Street,
Choolaimedu, Chennai.

Sub:- Incorrectness of the clarification issued by BSNL on taxability of reimbursement of CGHS contribution to BSNL absorbed pensioners – Request for withdrawal of the clarification-Reg.

The undersigned is directed to refer to your CPGRAM bearing Registration no. DOPPW/E/2023/0012787 dated 31.03.2023 regarding incorrectness of the clarification issued by BSNL on taxability of reimbursement of CGHS contribution to BSNL absorbed pensioners – Request for withdrawal of the clarification.

The case has been examined in Taxation Section and the following is intimated:-

At Point No.2 of your letter, where proviso to Section 17(2) has been referred. As per proviso to Section 17(2), reimbursement by the employer in respect of any **Insurance premium** paid by the employee to effect an insurance on his health or the health of family member under any approved scheme by Central Govt. or IRDA is a tax free perquisite. Whereas in the instant case as BSNL is reimbursing **CGHS one-time contribution**. Such one-time contribution cannot be regarded as insurance premium as referred in proviso to Section 17(2).

Further, at point 5 of your letter, it is mentioned that the employee can claim deduction u/s 80D in respect of contribution made to the Central Government Health Scheme.

Basis above, since one time contribution to CGHS is not specifically exempt under the Act and it is allowed as deduction under section 80D of the Act, the clarifications issued by BSNL in the matter is as per extant provision of the Act.

This is for your kind information and necessary action please.


(Subrat Kumar Mohakud)
AGM (Taxation)