

CORPORATE OFFICE TAXATION SECTION 1 ST FLOOR, BHARAT SANCHAR BHAWAN, JANPATH, NEW DELHI-110001		BHARAT SANCHAR NIGAM LIMITED [A Government of India Enterprise]
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No. 1001-06/2005/Taxation/BSNL/SAL-IT/ACC.PERQ/157 Dated: 25th March, 2008

To,

**Heads of All Telecom Circles / Metro Districts / Maintenance Region/
 Project Circles / Task Force/ Data Network/ NCES/ ALTTC/ BRBRAITT/ NATFM/
 QA/ T&D/ Telecom Stores/ Telecom Factories/ CPAO (ITI Bills)/ TCO, Kolkata /
 IT Circle, Pune/R&P C.O.**

**Sub: Valuation of Perquisite of Accommodation in respect of BSNL Employees in
 Occupation of Staff Quarters for the purpose of Income Tax-reg.**

Ref. No.1001-06/2005/Taxation/BSNL/SAL-IT/ACC.PERQ/149 Dated: 19th March, 2008


1. Queries have been received whether BSNL will bear the tax liability for the period when the BSNL employee was working in MTNL/any other organisation. It is hereby clarified that BSNL will not bear the tax liability for the period the employee was working in MTNL/any other organisation.
2. Instances have come to notice that in few units the tax on perquisite of accommodation for the period prior to issue of instruction no.1001-06/2005/CA-III/BSNL/SAL-IT/ACC.PERQ/51 dated 17-03-2006 has already been paid to the Income Tax Authorities. Where tax is already deducted from employees and paid to the Income Tax Authorities in any of the past years and refund is not feasible due to time bar limits set by the Income Tax Act, then BSNL may not pay the said tax again to the Income Tax department, since it is not going to benefit the employees.
3. Various units had asked whether retired/deceased employees are covered or not. The Board in its general decision has decided to ease the problems of BSNL employees by bearing the Income Tax liability of F.Y. 2001-02 to 2007-08. Since retired/expired employees were BSNL employees during the above mentioned period hence they were also covered in this office letter mentioned above.

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However, further queries have been received as to how to calculate the Income Tax liability in absence of details of emoluments of the current year for retired/expired employees. In view of the difficulty faced by the DDO's it is hereby intimated that payment to Income Tax Authority for retired employees may be made if the retired employee requests in writing and furnishes the details of his income. In the case of expired employee, no payment may be made for the present and any demand from Income Tax Authority may be examined individually and dealt with accordingly.

Encl: As Above


(Arundati Panda)
DDG(Taxation)

Copy to:-

1. DDG (CA) for information and necessary action.