



**ALLINDIA
BHARAT SANCHAR NIGAM LIMITED
EXECUTIVES' ASSOCIATION**

**Central Headquarters
New Delhi-110001**

President
Subhasis Mitra
Mob:094320 01010
E-mail:presidentaibsnlea@gmail.com

General Secretary
S. Sivakumar
Mob:09486102121
E-mail:gsaibsnlea@gmail.com

Financial Secretary
Ramnath Chabra
Mob: :09868231711
E-mail:fsaibsnleachq@gmail.com

No: AIBSNLEA/CHQ/CBDT/2021

Dated: 03.03.2021

To,

Shri Pramod Chandra Mody,
Chairman, CBDT
New Delhi-110001

Subject: Notice under section 154 of Income Tax Act, 1961 received by many BSNL Retirees/ Govt. Pensioners from Income Tax Department regarding Taxation on Govt. Service period Leave Encashment.

**Reference: 1) Sub Clause (i) & (ii) of Section 10(10AA) of Income Tax Act 1961.
2) BSNL CO Letter No: 1001-04/2011-12/Taxation/BSNL/LE/196 dated 04/05/2012**

Respected Sir,

It is constrained to bring to your kind notice that Retired employees of BSNL drawing Pension from the Department. of Telecom, Govt. of India throughout India are served with Notice from Income Tax Department Central processing Center under section 154 of Income Tax Act, 1961 for the Assessment Year 2019-20 intimating that the excess claim of exemption claimed under section 10 (10AA) is withdrawn by restricting it to Rs. 3,00,000/- in view of the CBDT Notification and instructed to remit the Income Tax for the excess claim of exemption.

In this regard it is submitted that as per Sub Clause(i) & (ii) of Section 10(10AA) of Income Tax Act 1961, read with the above cited BSNL Corporate Office New Delhi letter under ref(2).

1. The Earned Leave Account of Government Servant at his credit as on the date of Permanent absorption into BSNL from DoT, i.e on 1.10.2000 and the

cash equivalent of Leave Salary in respect of the period of Earned Leave at his credit on the date of Superannuation/Retirement etc., as an employee of the Central Government is eligible for full exemption upto 300 days.- **Sub Clause(i)**

2. If the Earned Leave at the Credit is less than 300 days at the time of Absorption, the balance at Leave earned during BSNL(PSU) Service will be Taxable subject to Exemption Limit of Rs.3,00,000/- at the time of Superannuation/Retirement, etc., - **Sub Clause(ii)**

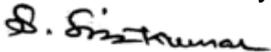
It is pertinent to mention here that most of the absorbed employees retired from BSNL have maximum part of their Earned Leave credit from DOT Service and they don't have any tax liability in view of the above criteria. The Income Tax is computed by BSNL Offices situated throughout India as per the guidelines issued by the BSNL Corporate Office vide the above letter cited under ref(2) and Form-16 issued to all the Retired employees/Pensioners accordingly.

CPC of Income Tax Department at Bangalore has fully Automated System and it is evident that CPC has not considered fully exempted Leave encashment Retirement benefit amount for Government Services period in DOT and issued Automated Notices to BSNL Pensioners, drawing the Pension from Consolidated Fund of India, simply restricting the limit of Rs. 3,00,000/- (as per PSU employees) which is not in order as per sub clause (i) of Section 10(10AA) of Income Tax Act, 1961. The Retired Employees of BSNL are in great mental agony due to the wrong application of the said Clause by the Income Tax Authorities and the decision taken in this regard will result in refund of Pensionary benefits as Income Tax.

In view of the foregoing, we request your good self to kindly intervene in the matter and cause to issue necessary instructions to the Officers concerned in Income Tax Department in this regard so as to relieve the BSNL Retirees (drawing Govt. Pension) from the unwarranted Tax burden.

Encl: As above.

Yours Sincerely,



(S.Sivakumar)

General Secretary

Copy to:-

1. Shri Anshu Prakash, Secretary (T), DOT, Govt. of India, New Delhi-110001
2. Shri P K Sinha, Member (Finance), DOT, Govt. of India, New Delhi-110001
3. Shri P.K. Purwar, CMD, BSNL, New Delhi-110001
4. Shri Arvind Vednerker, Director (HR) BSNL Board, New Delhi-110001.
5. Smt Yojana Das, Director (Finance) BSNL Board New Delhi-110001
6. Shri. Y.N. Singh, Sr.GM (Taxation) CO BSNL, New Delhi- 110001