

Corporate Office
Taxation Section
First Floor
Bharat Sanchar Bhawan
Janpath, New Delhi-110 001



BHARAT SANCHAR NIGAM LIMITED
[A Government of India Enterprise]

No: 1001-09/2019-20/Taxation/BSNL VRS 2019/3723 Dated: 05.02.2020

To

All concerned CGMs/IFAs/DDOs,
BSNL CO/Circle Office/BAs/SSAs/PAUs

Ref: Quantum of tax exemption available to an eligible BSNL VRS-2019 optee under Section 10(10C) of the Income Tax Act, 1961 ("the Act") read with Rule 2BA of the Income Tax Rules, 1962 ("the Rule")

Sub: Addendum to this Branch's letter of even no/. 3719 dated 29.01.2020

In continuation to this Branch's letter of even no/. 3719 dated 29.01.2019 (available on intranet portal); the Quantum of tax Exemption available to an eligible BSNL VRS-2019 optee shall be as follows:

i) Rule 2BA read with Sec 10(10C) of the Act provides a maximum limit of Rs 5 lakhs on the amount that will be exempt from tax. The CBDT has clarified that, in case the amount received exceed Rs 5 lakhs, only the excess over Rs 5 lakhs will be liable to tax.

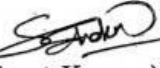
ii) TDS at applicable rates may be deducted over and above Rs 5 lakhs on ex-gratia. However, the provisions of PF, Gratuity, Pension, Leave encashment, medical re-imburements etc. are to be governed under regular provisions and not u/s 10(10C).

iii) The VRS optee(s) can claim either exemption u/s 10(10C) or relief u/s 89, but not both, on such amounts received or receivable on or after 01.04.2009. This exemption is to be provided one time only in a single Assessment Year upon first time receipt of ex-gratia. Such exemption cannot be given proportionately.

iv) VRS optee(s) may declare that whether he/she wants to opt Exemption u/s 10(10C) or relief u/s 89. However, for claiming relief u/s 89 by the VRS optee(s) conditions mentioned under Rule 21A (copy enclosed) needs to be satisfied. Further, the relief amount calculated u/s 89 read with Rule 21A needs to be declared by the VRS optee(s) well in advance so that TDS amount may be calculated accordingly.

This issues with the approval of Sr. GM (Taxation), BSNL CO.

Encl: As above.


(Subrat Kumar)
AGM (Taxation)
BSNL CO, New Delhi