



# MTNL EXECUTIVES' ASSOCIATION

Central Headquarters, New Delhi

(Registered under the Trade Union Act 1926, reg no-ALC/Karyasan-17/9715)  
[Affiliated to National Confederation of Officers' Associations (NCOA)]

**P.N.VASANE**  
President

o/L

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**V.K.TOMAR**  
General Secretary MEA  
Secretary General NCOA  
President AIPCOC

Ref. No.: MEA/CHQ/ CMD / Perquisites

DATE : 28-9-21

To  
**Shri P K Purwar**  
CMD, MTNL  
Corporate Office, New Delhi

20  
5-10-21

**Subject: Unfair & unjust treatment on Perquisites on staff quarters and request for stoppage of deduction of Income tax from occupants of staff quarter in name of perquisite—Case to be taken up with CBDT**

- Ref:**
1. RTI reply from Income Tax department F No. 59(13)/RTI/2020-21/Pr.CCIT/Vol-II/89, 92 & 93, dt 05.11.2020
  2. Income Tax department letter no. ITO/PR/CLFN/2016-17, dt 21.02.2017
  3. MTNL letter no-7-2/Tax/Misc/2019-20 dated 15-01-2021
  4. Income tax letter No- ACIT/Circle-75(1) clarification/2021-22 dated 15-09-2021
  5. Income tax letter no-F.No-ACIT/Circle-75(1)/clarification/2021-22 Dated 20-09-2021

Sir,

It is brought to your information that unfurnished staff quarters are being provided to employees at standard rent fixed for respective quarters by company and no HRA is paid. All quarters pertain to company pool so perquisite value of accommodation is equal to the standard rent so fixed by the company. Moreover, no concession provided to employees.

Recently a CPSE employee has sought information from Income tax department under RTI, wherein it has been clarified by Chief Commissioner of Income Tax, vide clarification vide letter no. ITO/PR/CLFN/2016-17, dt 21.02.2017 (Copy enclosed for ready reference) that as the company has not provided the staff quarters to its employees as rent free or at concessional rent basis and deducting standard rent from salaries and no HRA is being paid so no perquisites on accommodation need to be added to the salary of the employees for the purpose of calculating income tax on those who are staying in quarters provided by the company after paying standard rent fixed by the company and HRA not being drawn by them.

In addition to deduction of standard rent and non-payment of HRA, MTNL is also deducting additional amount as Income Tax on perquisites on accommodation from employees which is unfair and unjust.

On our representation, MTNL wrote to Jt commissioner (IT) to seek clarification vide letter no-7-2/Tax/Misc/2019-20 dated 15-01-2021 which was clarified vide income tax letter No- ACIT/Circle-75(1) clarification/2021-22 dated 15-09-2021 that "since the company has not provided the staff quarters to its employees as rent free or at concessional rent basis and deducting standard rent from salaries and no HRA is being paid so no perquisites on accommodation need to be added to the salary of the employees for the purpose of calculating income tax on those who are staying in quarters provided by the company after paying standard rent fixed by the company and HRA not being drawn by them".

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But this clarification was withdrew vide their letter no-F.No-ACIT/Circle-75(1)/clarification/2021-22 Dated 20-09-2021 on the ground that it is of the nature of policy clarification which can only be issued by CBDT and any further clarification in the matter may be taken up with CBDT.

Therefore, your good self is requested to immediately take up the matter with CBDT, and stop recovery of tax on perquisite on accommodation as per RTI reply and clarification by ACIT till CBDT clarification.

With regards

Yours sincerely



(V K Tomar)

**Copy to:**

- 1—Shri Arvind Vadnerkar ,Director (HR&EB)), MTNL for n/a pl
- 2---Smt Yojna Das, Director (Fin), MTNL for n/a pl
3. Shri Sultan Ahmed, GM(Fin), CO for n/a pl

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