



# 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

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

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

DATE : 12-09-2023

To

**Shri P K Purwar**

Chairman & Managing Director  
Mahanagar Telephone Nigam Limited (MTNL)  
MTNL Corporate Office, New Delhi

**Subject: Reimbursement of Income Tax on Perquisites for MTNL Employees Residing in Staff Quarters in line with BSNL.**

Dear Sir,

I hope this letter finds you in good health and high spirits. I am writing to bring to your attention an urgent matter concerning the income tax implications on the occupants of staff quarters provided by MTNL to its employees.

It has come to our attention that BSNL is reimbursing income tax on perquisites on staff quarters to BSNL employees who have occupied BSNL quarters, but not to MTNL employees of same category. MTNL has been deducting standard rent from the salaries of its employees who reside in staff quarters. Additionally, no House Rent Allowance (HRA) is being drawn by these employees. While this practice aligns with the established policies of MTNL, we believe it is essential to highlight the prevailing income tax rules and regulations regarding perquisites on accommodation.

Firstly, it is crucial to note that both Mahanagar Telephone Nigam Limited (MTNL) and Bharat Sanchar Nigam Limited (BSNL) share the same Chairman & Managing Director (CMD) and a common Board of Directors. This shared leadership underscores the importance of consistency and fairness in the treatment of employees' perquisites, especially concerning accommodation.

According to the Income Tax Rules, "if a company has not provided staff quarters to its employees on a rent-free or concessional rate basis and is deducting a standard rent from their salaries while not offering HRA, there should be no inclusion of perquisites on accommodation in the calculation of income tax for employees residing in company-provided quarters. In such cases, the standard rent serves as a fair representation of the cost borne by employees for their accommodation".

Therefore, we urge MTNL to review its current practice and consider reimbursing the income tax deducted from the occupants of staff quarters as is being done in BSNL or stop deducting income tax on perquisites, keeping in view the clarifications issued by Income tax

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departments through various RTI replies. This would not only be in line with the principles of fairness and equity but also alleviate the financial burden on our employees.

We kindly request your intervention in this matter to ensure that MTNL aligns its policies with the Income Tax Rules to provide relief to the affected employees. Your leadership and support in resolving this issue will be greatly appreciated by all members of the Executives' Association.

We eagerly await your response and, if necessary, are open to engaging in discussions to further clarify the details and implications of this request.

Thank you for your kind attention to this matter, and we look forward to a favorable resolution.

With warm regards

Sincerely,

(V K Tomar)

Copy to

1. Director (HR) for information & n/a pl
2. Director (Fin) for information & n/a pl
3. Director (Tech) for information & n/a pl
4. ED, Delhi/ ED, Mumbai