



# Sanchar Nigam Pensioners' Welfare Association

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SNPWA/CMD/8/2020

Dated 27<sup>th</sup> July, 2020.

To,

Sh. P. K. Purwar,

CMD/BSNL,

BSNL Bhawan, New Delhi

Sub : Allowing VRS optees to exercise their legitimate right to opt for new or old tax deduction regime- TDS deductions made by the field units on old tax regime completely arbitrary.

Respected Sir,

You are fully aware that a New Income Tax policy was approved in our Central Budget for the year 2020-21 w.e.f 01.04.2020, giving tax payers a clear choice to decide between the two regimes. Thus, it becomes mandatory on the part of the DDOs/AOs to call for options from working employees as well as retired personnel to choose between the Old/New IT Regimes and recover the income tax as per the options exercised by each individual..

But incomprehensibly and astonishingly, BSNLCO issued instructions to the field units to call for options for deduction of TDS in respect of working employees only, thus depriving retired employees, particularly VRS optees, of their legitimate right to exercise their option for deduction of tax according to Old/New Tax regime. We are completely at a loss to understand as to how this very serious lapse on the part of concerned officers in BSNL CO has occurred and this has resulted in incredibly high deductions of their TDS on ex gratia since their TDS has been arbitrarily deducted, while they would have enormously benefitted had they been allowed to exercise their option for TDS deductions on their ex gratia based on the appropriate option of Tax Regime, best suited to them.

**This becomes all the more significant and relevant since huge quantum of their ex gratia, around 68.70% of the their total ex gratia is to be disbursed in the financial year 2020-21, and arbitrarily deducting their TDS on 2<sup>nd</sup> and 3<sup>rd</sup> instalment of their ex gratia has resulted in incredibly huge loss to all of them. Deducing TDS in such an arbitrary and unlawful manner, in clear violations of the existing TDS deduction provisions, is a very clear and direct infringement on the fundamental right of an individual to decide as to how, and in accordance to which provisions of existing TDS deductions, his TDS have to be deducted. This**

**action is not only completely unjustified and uncalled for but has trampled over the right of an individual to choose his TDS deduction provision.**

**In sharp contrast, CCAs clearly called for exercising of options from VRS optees for pension payments while BSNL CO committed, knowingly or unknowingly, a very serious breach of the existing provisions of TDS deduction from VRS optees and this unwarranted action has resulted in huge monetary loss to them. In fact, we are also surprised as to how the field units (concerned AOs) rejected the repeated requests of VRS optees to allow them to exercise their options for TDS deduction on ex-gratia since it is incumbent on them to fully abide by the Tax deduction provisions decided by the Central Government. This virtually amounts to prevalence of total chaos in the Organization.**

Even the DDOs did not bother to collect the data of savings of individuals while unilaterally, like feudal lords, and in an authoritarian manner, deciding to deduct TDS on Old Regime, blatantly and intentionally violating and denigrating National Tax Policy on TDS deductions. This condemnable action on part of the concerned officers has dealt a very deadly blow to VRS optees just for no reason.

We are quite confident, that keeping in view the seriousness of the lapse and the incredible monetary loss that it has inflicted on the VRS optees, instantaneous corrective action would be initiated by BSNL CO so as to offset the losses that VRs optees have already suffered when their final instalment of ex-gratia is paid. Also suitable arrangements need to be put in place immediately to ensure that huge excess recoveries that have already been made are refunded forthwith. How and in what manner it has to be done is a matter that BSNL CO will have to find out as quickly as possible.

Kind regards,

Sincerely Yours,

(G.L.Jogi)

Copy to:

1. Sh. S.K.Gupta, Director(Finance)/BSNL,
2. Sh. Arvind Vardnerkar, Dir(HR), for kind and immediate n/a please.
3. Sh. Saurabh Tyagi, Sr GM/Estt, for kind immediate n/a please.