

MAHANAGAR TELEPHONE NIGAM LIMITED
(A GOVERNMENT OF INDIA ENTERPRISE)
CORPORATE OFFICE

No. 7-2/Tax/Misc./F.Y.2011-12/ 91
Dated: 15.09.2012

D.G.M.(Fin.)HQ
MTNL
New Delhi

Sub: Tax Deducted at Source (TDS) on Leave encashment at the time of retirement.

Please refer to your letter No.AO(P&A-1)/HQ/Leave Encashment.2011-12/ dated 12-09-2012 on the above cited subject. In this regard, the following is clarified para-wise:-

Points/Query	Particulars	Clarification
Point No.1	Date of Applicability of orders	The orders issued vide this office letter of even No. 29-08-2012 were with immediate effect, i.e. any payment on account of leave encashment from 29-08-2012 onwards shall be covered by the above orders.
Point No.2	Calculation of leave Encashment payment	The orders issued vide this office letter of even No. 29-08-2012 were notified specifically in view of taxability on account of leave encashment payment in MTNL and therefore the leave encashment has to be calculated on the last pay drawn at the time of retirement as per the existing procedure which is not changed by this office orders dated 29.08.2012.


(NARESH KUMAR)
Dy.General Manager(Accts.)

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