

महानगर टेलीफोन निगम लिमिटेड, मुंबई

(भारत सरकार का उद्यम)

MAHANAGAR TELEPHONE NIGAM LIMITED MUMBAI

(A GOVT.OF INDIA ENTERPRISE)

Office of the

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No. SM(Accts)/Income Tax/3-5/2019-20/ 52  
Dt.6<sup>th</sup> March 2020

To  
All DGMS (Finance)  
MTNL Mumbai.

**Sub : Provision for Leave Encashment Liability**  
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Leave Encashment has to be worked out for employees retired under VRS on 31<sup>st</sup> Jan 2020. In this connection WFMS unit has already provided a query to extract the Leave Encashment after verification of the leave balance from Service Book. The name of the query is 'PB VRS 2019 LV ENCASHMENT'.

Hence, it is hereby instructed that after verification of leave records from the Service Book with the data in WFMS, liability for Leave Encashment is to be provided in March 2020 Trial Balance.

This process should be completed and liability should be provided by 15<sup>th</sup> April 2020.

*As per Section 192 of Income Tax Act, TDS on Leave Encashment is to be paid at the time of actual payment of Leave Encashment and no TDS is to be deducted at the time of creation of liability.*

Deputy General Manager (Accounts)  
MTNL, Mumbai

Copy to : GM (Finance) : for kind information