



Sanchar Nigam Pensioners' Welfare Association

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Reg.No:SOCIETY/WEST/2021/8902564

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SNPWA/CPC/TDS centralized processing centre/3/21

Dated 21st Oct.21.

To

The CPC,
TDS Centralised Processing Centre,
Aakar Bhawan, Sector 3,
Vaishali, Ghaziabad, UP – 201010

Sub: Demand Notice under Section 154/ sec 143(i) of ITR Act 1961

Respected Sir,

Many of our members retired from the Department of Telecom & BSNL are issued with demand notices under sec 154 of ITR Act 1961 for AY 2019-20&2020-21, which has unnecessarily plunged the poor retirees to extreme tension and mental distress. The BSNL Management has put in place a system for proper deduction of tax at source following all the relevant rules of the Income Tax Department

Before formation of BSNL, Department of Telecom (DoT) moved a Cabinet Note on 25/9/2000 for its approval. Para 4.4 of the memo deals with the HRD issues. Point (v) of that para states "facility to carry over EL & HPL would be provided". Point (vi) of the relevant para (V) states "The pension framework has been made part of the CCS Pension Rules by amending Rule 37 using powers under Art. 309 of the Constitution of India". This has been approved by the Union Cabinet and Department of Pension & Pensioners' Welfare issued gazette on 30/9/2000 amending Rule 37 of CCS (Pension) Rules, 1972 Section 10(AA) (i) of ITR 1961 exempts leave encashment fully for the leave earned during the service in Government. Section 10(AA) (ii) exempts up to Rs. 3 lakhs of leave encashment for the leave earned in a PSU.

BSNL management taking these provisions into consideration, accordingly granted exemption and conveyed the same through its Letter No. 1001-04/2011-

12/Taxation/BSNL/LE/176 dated 04/05/2012. TDS was effected by the respective AOs and paid to IT department accordingly.

We understand that demand notice under section 154 / sec143(i) has been issued without taking cognizance of the exemptions provided under the law. We would also bring to your kind notice the Income Tax appellate Tribunal judgement on ITA /3261/ Mumbai/ 2018 pronounced by Income Tax appellate Tribunal SMC Bench Mumbai on 05.02.2019, which clearly upholds the application of the above benefits to such retirees

We request you to make necessary corrections in the system, for the retirees of MTNL and BSNL, so that similar notices are not generated automatically in future.

We would also request you to kindly withdraw all the demand notices issued so far under Section 154 of ITR 1961 to the individuals.

Thanking you

Yours Sinceely



G. L. Jogi
General Secretary

Copy to

1. CMD BSNL for kind necessary action w.r.t orders issued in this connection vide BSNL Letter No. 1001-04/2011-12/Taxation/BSNL/LE/176 dated 04/05/2012*
2. Dir (Fin) BSNL for immediate necessary action to issue the required clarification to get such unwarranted notices by the IT Department withdrawn.
3. The CPC Bengaluru. Karnataka-560100