



# ALL INDIA ASSOCIATION OF COAL EXECUTIVES (AIACE)

(Regd. under The Trade Union Act 1926; Regd. No. 546 / 2016)

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**AIACE/CENTRAL/2019/ 110**

**Dated 27/7 /2019**

To

The Chairman  
COAL INDIA LTD.  
KOLKATA

Sub: - Deduction of Income Tax from Arrears.

Dear Sir,

We enclose a letter no. ADDL CIT (TDS)/RPR/TECH/SECL/2019-20 dated 26-07- 2019 written by Additional Commissioner of Income Tax (TDS), Raipur to CMD, SECL regarding wrong TDS by DDOs of SECL from arrears of Employer's contribution to Pension under CIL Pension Scheme cautioning the Disbursing Officers of SECL against giving double relief u/s 89 (1) and 17 (2) (vii) thereby committing a default in deducting Income Tax. ACIT (TDS) also threatened penalty, interest and prosecution for short deduction of TDS and abetment to concealment of income. The crux of the matter is that IT Department contends that if Pension contribution has been spread over the earlier years for computing relief u/s 89 (1), then exemption upto Rs.1,50,000/- cannot be claimed u/s 17 (2) (vii) in the current year.

The concerned Assessing Officers may also raise a demand for additional Income Tax on our executives for claiming double relief in their Tax Returns. These threats have created a panic among the Disbursing Officers as well as all the executives.

It is to be noted that the disbursing officers are simply following the guidelines issued by CIL and may become liable to penalty and prosecution for no fault of theirs. We are sure that CIL must have taken the opinion of eminent Tax Consultants before implementing the procedure for recovery of TDS from arrears of pension. Many executives have already filed their ITRs for assessment year 2019-20 claiming relief u/s 89 (1) and 17 (2) (vii) as reflected in their 26 AS, Form-16 and Form-10 E and those who are yet to file their ITRs are in a state of quandary as to what relief they are entitled to.

Earlier in offline mode, CIL had asked enclosures of ITRs from FY 2006-07 onwards. Later on, this criteria has been removed in online mode for submission. Now, the letter from IT Deptt also warns DDOs against this procedure of granting relief while spreading the arrears without obtaining past ITRs of executives and has threatened to penalise them on personal level. Then do they intend to prosecute entire team involved in disbursements? IT department has failed to keep records of past ITRs and want to penalise assesses for their failure, if any, in preserving past ITRs. This is just double standard.

We earnestly request you to advise the concerned department to look into this matter and issue necessary clarification so that our officers can carry out their duties without fear of penalty and prosecution by Income Tax Department. The matter is most urgent as ITRs have to be filed before 31<sup>st</sup> August 2019.

Yours faithfully,

P K SINGH RATHOR  
Principal General Secretary

CC

DP/ DF, CIL Kolkata.

CMD/DP/DF, ECL/BCCL/CCL/CMPDIL/NCL/SECL/WCL/MCL