



# ALL INDIA BHARAT SANCHAR NIGAM LIMITED RETIRED EXECUTIVES' ASSOCIATION

Central Headquarters

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No. AIBSNLREA/CHQ/2021/15

Dated: 23.02.2021

To

Shri Anurag Thakur,  
Minister of State for Finance,  
Government of India,  
New Delhi-110001.

**Sub: Unfair provision under Section 15 (a) of Income Tax Act, 1961 to treat salary due but not paid as taxable – Request to rescind/modify the provision.**

Sir.

We are constrained to bring to your kind notice that though income tax for an assessment year is to be calculated based on the total income earned in a financial year, at present income tax is also being charged against the amount due against medical claims, which forms part of salary under Section 17(2) of IT Act, 1961, but not paid in the said financial year. TDS is also being deducted against such unpaid amount and the hapless tax-payers are forced to include these unpaid amounts in their annual income and also pay additional tax.

2. It is really unfair on the part of the Government to force the salaried employees/pensioners to pay income tax against the amount which though due has not been paid to them. The problem becomes more acute when the amount due against medical claims, forming part of salary, remains as dues for years together.

3. In view of the above, we earnestly request you to kindly look into the above issue and rescind/modify the existing provisions under Section 15 (a) of IT Act, 1961 or issue suitable clarification so that TDS or Income Tax is charged only when the amount due, forming part of salary, is actually paid to the employees/pensioners.

With kind regards,

Yours sincerely,

(S Basu)

General Secretary

Copy to:

1. Shri P C Mody,  
Chairman, CBDT.
2. Dr Ajay Bhusan Prasad Pandey,  
Finance Secretary, MoF.
3. Shri Kshatrapati Shivaji,  
Secretary (Pension), DOP&PW.