



RETIRED TELECOM OFFICERS' WELFARE ASSOCIATION

Reg No: F-37187 (Mumbai) 2008

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RTOWA MUMBAI/CORR/2020/

DATED 06th July'2020

To
Shri. V. Sri Sankar
Executive Director
MTNL Mumbai

Respected Sir,

SUB:- Refund of Excess Income Tax recovered VRS Pensioners

1. In the month of Apr'2020 part payment of Leave Encashment (about 72.1%) was made to VRS pensioners and Income tax was recovered. The leave earned during DOT service which was at credit on the date of absorption 01/11/1998 or 01/10/2000 is fully exempt from income tax. However many Areas could not update this DoT period leave at credit in the system. Resultantly heavy tax was recovered, though not deductible, from those pensioners who had DoT period leave at credit on the date of absorption. Now on updating this DOT period leave at credit, the tax already recovered becomes due for refund since it is not deductible. This excess recovery of tax was partially refunded by adjusting the tax recovery on the payment of second instalment of ex-gratia. **The whole amount of excess recovered tax needs to be refunded.**

2. Tax in excess of the due amount was recovered from many VRS pensioners on payment of second instalment of ex-gratia. **This excess recovered tax also needs to be refunded.**

In both the above cases Tax is not deductible but deducted. Refund of the tax by adjustment from the future tax liability may not be sufficient in many cases to refund the full amount of recovered tax. Pensioners should not be made to wait to get refund from Income tax department on filing returns.

In this regard it is requested to refer to Para 4 (i), 4(ii), and 4.1 of CBDT Circular No.2/2011 (F.No.385/25/2010-IT(B), dated 27-04-2011 (copy enclosed) which provides for refunds of excess tax deducted at source even if the tax had already been remitted to Income Tax department. Therefore it is requested to cause to refund the excess tax recovered immediately by invoking the provisions of CBDT Circular referred to above.

With high regards,

Yours Sincerely,

(J.S. YADAV)

Joint General Secretary
RTOWA Mumbai.

Copy to Shri. Narendra Dhakode. It is requested to do the needful for refund.