



# STATE BANK OF INDIA OFFICERS' ASSOCIATION (LUCKNOW CIRCLE)

Registered Under Trade Union Act 1926 Registration No. 9488 (U.P.)  
(Affiliated to ALL INDIA STATE BANK OFFICERS' FEDERATION)  
1<sup>st</sup> Floor, State Bank of India, Administrative Building, SBI LHO, Moti Mahal Marg, Hazratganj, Lucknow - 226 001  
Telephone No. 0522-4340463, Email. sbioa.lucknowcircle@gmail.com

CIRCULAR NO. 2023/05

DATE- 06.03.2023

To All Members

## **Tax on Concessional / interest free loans**

Please refer to SBIOA Circular Nos. 2022/12 dated 14.03.2022, 2022/28 dated 02.09.2022 and Association Letter dated 10.02.2023 mailed to officers who are not enrolled as members of Association. We had warned to these non members officers vide the above letter to submit the requisite membership form latest by 28th February 2023 otherwise we will go to Bank Management for deduction of Tax at source against perquisite value of concessional / interest free loans of the staff (i.e. difference of national interest on staff loans at prescribed rate of interest to public and interest recovered / ocrued on staff loan).

With deep regret, it is to convey that approx 586 officers have still not responded after continuous requests and we are left with no option but to report their names to Management for deduction of Income Tax on perquisite value. So, we have communicated to DGM & CDO Sir, vide letter no. Gen/34/794 dated 04.03.2023. Copy of correspondance is annexed herewith for information to all members.

Thanking you,

Yours faithfully,

(PAWAN KUMAR)  
GENERAL SECRETARY  
Encls. As above



Work is Worship

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ALL LETTERS TO BE ADDRESSED  
TO THE GENERAL SECRETARY

Ref. No. Gen/ 34/794

Date 04.03.2023

The Dy. General Manager &  
Circle Development Officer  
State Bank of India  
Local Head Office  
Lucknow

Dear Sir,

## **TAX on Concessional / Interest Free Loans**

Please refer to e-circular no. CDO/P&HRD-PM/70/2022-23 dated 01.02.2023. The para 4 of said circular clearly states that:-

"The following Writ Petitions filed by Unions / Associations mentioned against them have been disposed off by the Hon'ble High Court of Madras Vide a common order dated 16.06.2021 :

- i. Writ Petition 6266/2010 - All India State Bank Officers' Federation**
- ii. Writ Petition 6380/2010 -All India State Bank of India Staff Federation.**

The Hon'ble High Court, while disposing of the writ petitions, has directed that the interim protection granted during the pendency of the aforesaid writ petitions will continue until appropriate orders are passed by the Hon'ble Supreme Court of India.

Accordingly, the income tax on the perquisite value of concessional / interest free loans of the staff members belonging to the petitioners Associations / Unions shall not be deducted at source during the Financial Year 2022-23 and the instructions circulated in this regard vide para 3 of e-circular no. COD/P&HRD-PM/7/2010-11 dated 28th April 2010 shall remain applicable for the financial year 2022-23 until further instructions are issued in this regard."

As per referred circular, it is clearly evident that Income Tax on the perquisite value of concessional / interest free loans shall not be deducted at source only for the members belonging to the petitioner Association / Union only. In this connection, we had written all these officers to submit their membership form at an early date vide our dated 10.02.2023 but officers' mentioned in enclosed list, have not forwarded their membership. So, we have no option but to clarify that these officers are not entitled for the Income Tax exemption.

Therefore, please arrange for deduction of Income Tax on the perquisite value of concessional / interest free loans of the officers who are not the members of SBIOA (Affiliate of All India State Bank Officers' Federation). The list of non-members is enclosed for your reference and necessary action.

Yours faithfully,

Sd/-

(PAWAN KUMAR)  
GENERAL SECRETARY