

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Circular No. 2017/16

Date: 03/03/2017

Dear Comrades,

TAX ON PERQUISITE VALUE UNDER SECTION 17(2) OF INCOME TAX ACT, 1961, AS AMENDED BY FINANCE ACT, 2007

APPEAL AGAINST FINAL JUDGEMENT ORDER DATED 20.04.2016 IN WRIT PETITION NO.10053 OF 2008 OF MADRAS HIGH COURT

AIBOC JOINS THE APPEAL IN SUPREME COURT OF INDIA

We reproduce, hereunder, the contents of Circular No. 2017/14 dated 03.03.2017, on the captioned subject issued by Com. Harvinder Singh, General Secretary, AIBOC for your information.

QUOTE:

“Please refer to our Circular No.2017/10 dated 23.02.2017, on the captioned subject. You were advised that All India Union Bank Officers’ Federation filed a Writ Petition No.7869/2008 in Madras High Court, challenging either Section 17(2)(iii) or Section 17(2)(vi) or Rule 3(7)(i) of Income Tax Rules or both. The Writ Petition was later joined by Laxmi Vilas Bank Officers’ Association, Catholic Syrian Bank Officers’ Association, Dhanlaxmi Bank Officers’ Organisation, Federal Bank Officers’ Association and South Indian Bank Officers’ Association through Writ Petition No.10050 to 10054 of 2008.

The impact of the amendment under Section 17(2) was that the benefit of concessions to the Officers and Employees working in Banking industry was treated as perquisite in the hands of Employees and hence taxable. Hon’ble High Court of Madras had granted an interim stay on applicability of impugned amendment. The case was pending for more than

eight years and finally came up for hearing on 20.04.2016. The Writ Petitions challenging Section 17(2)(vi) as well as Rule 3(7)(i) were dismissed as devoid of any merits.


Aggrieved by the said Orders dated 20.04.2016 of Madras High Court, South Indian Bank Officers' Association preferred an Appeal in Hon'ble Supreme Court of India, which was permitted on 29.08.2016. Since AIBOC was not a party to the original case in Madras High Court, we did not prefer to join the Appeal filed by South Indian Bank Officers' Association. However, on apprehensions being raised by some Affiliates that the members of the Organisations who are not party to the case, may not get the benefit of the Appeal, our Confederation decided that we should try to join the Appeal despite undue delay. We advised you vide our Circular of 23.02.2017 that a Special Leave Petition (SLP) No.4327/2017 has been filed, seeking special leave to Appeal against the final Judgment and Order dated 20.04.2016 passed by High Court of Madras in Writ Petition No.10053, by condoning the delay of 216 days in filing the same against final Order dated 20.04.2016.

Our case came up for hearing on 27.02.2017 in Hon'ble Supreme Court. We are happy to inform you that Hon'ble Court has condoned the delay of 216 days in filing an Appeal against the Orders of the Madras High Court and our SLP has been accepted. Accordingly, the interim protection granted by the High Court of Madras will apply and continue to members of our Confederation until further orders. Our SLP has also been tagged with Petition No. 24439 and 24440 of 2016 i.e. filed by South Indian Bank Officers' Association. We shall keep you apprised of the developments."

UNQUOTE

With Comradely greetings,

Yours comradely,



(HARVINDER SINGH)
GENERAL SECRETARY