



(2008-2010)

APSEB ENGINEERS' ASSOCIATION

(AP STATE VIDIYUT ENGINEERS' ASSOCIATION)

(Regd. No. 874 of 1975)

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To

The Chairman and Managing Director
APTRANSCO
Vidyut Soudha
Hyderabad.

Sir,

Sub :- APSEBEA – Exemption of Income Tax on Hotline Special Compensatory Allowance – Issue pending before Appellate Tribunal-Recovery of Income Tax – Deferment till tribunal decision- Requested - Reg.

* * *

This Association wishes to submit the following few lines for your kind consideration and to arrange to issue favourable orders please.

It is to submit that the Hotlines teams of APTRANSCO are doing their best in adopting the Hot-stick and Bare Hand Techniques on live lines, thus preventing the interruptions and there by minimizing the outages. The EHT Lines will have to be shut down for attending the works but for the implementation of these Hotline techniques. It is also to submit that the application of Bare Hand Techniques in the EHT Sub-stations has been introduced by the Hotlines Engineers and staff of the erstwhile APSEB only. The APTRANSCO stood in the fore front in the country, in adopting the Hotlines Techniques both in the EHT Lines and Sub-stations by inventing and introducing various new methods, techniques and practices in this field.

It is also to submit that the Hotlines works being attended to by the staff are saving revenue on account of energy saved to the APTRANSCO directly and the Nation indirectly to a tune of around **Rs.52 Crores** per annum. But, in the process, the staff are exposed to very harmful Electrostatic and Electromagnetic radiations emanating from the Live equipment, even at high altitudes.

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Taking into consideration the tremendous risk involved and also the yeoman service being rendered, the hot line staff are being paid an allowance called "Hot-Line Special Compensatory Allowance". This allowance was considered as being tax free from the beginning and tax was not levied.


However, in the year 2006, the Assistant Commissioner of Income Tax, Hyderabad, contended that the income of Hot-Line Special Compensatory Allowance was not exempted from tax and insisted that Tax be paid. The APTRANSCO placed the issue before the Commissioner of Income Tax (Appeals), which however, was turned down. The APTRANSCO again placed the issue before the Income Tax Appellate Tribunal and the same is scheduled for hearing on 30th April, 2009.

In the mean time, to boost up the morale of the Hotlines staff who are risking their lives for the sake of the Nation and also to enable them to work with renewed enthusiasm and spirit, the Hon'ble Chairman and Managing Director, APTRANSCO has represented to the Central Board of Direct Taxes (CBDT), in Jan' 2008, May 2008 and again in Oct' 2008 for exempting the Hot Lines Special Compensatory Allowance from Income Tax. Several reminders were sent subsequently and it is reliably learnt through Under Secretary, Central Board of Direct Taxes that the matter has been placed before the Hon'ble Union Finance Minister and that a decision is most likely expected during February, 2009.

Despite the attempts being made by the APTRANSCO Management, as detailed above, various Accounts wings in the field Circles of APTRANSCO are insisting on recovery of Tax on the Hot Lines Special Compensatory Allowance from the current month itself.

In this connection, it is to humbly request to please arrange to issue the orders to the concerned not to effect recovery of tax on Hot Lines Special Compensatory Allowance from the Hot line staff until the issue pending before the Appellate Tribunal is decided.

Thanking you Sir,

Yours faithfully,

(R.RAVEENDRA KUMAR)
PRESIDENT

Copy Submitted to:

1. The Director / Grid Operation / APTRANSCO/ VS/Hyderabad.
2. The Director / Finance / APTRANSCO/ VS/Hyderabad with a request to arrange to issue the necessary orders to the field accounts staff to stop recovery of tax.
3. The Joint Managing Director / HRD, Comml., IPC&Ref/APTRANSCO/VS/Hyderabad.